THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Battle of the Billboards

Clearing Up Fukuda's Mess in Shantung

By J. J. Heeren

Aircraft Construction in the Chinese Navy

By F. Wong

The Problem of China's Unification

By Harry Paxton Howard

Significance of Coming Silk Conference

By Paul K. Whang

China and Japan Today!

By C. Y. W. Meng

評論報 密勒氏

SATURDAY, APRIL 20, 1929

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SAILINGS FROM SHANGHAI

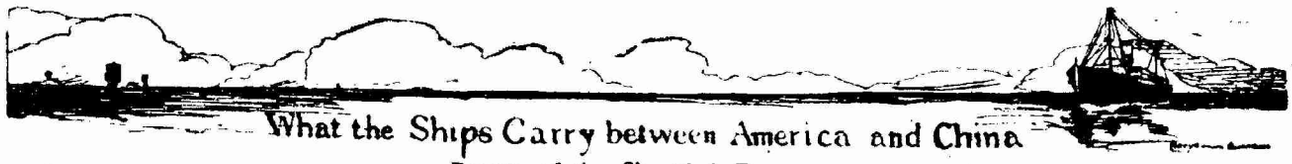
1929 APRIL 1929

SUN	MON	TUE	WED	THU	FRI	SAT
TRAVEL IN COMFORT	* 1	2	Pres. Monroe To H'kong, Manila, 3 Europe, New York and Boston	4 *	* 5	Pres. Cleveland To H'kong & Manila 6 Pres. Grant To Seattle and Victoria, B. C. via the Short Route
7	8	9	Pres. Madison To H'kong and Manila 10	11 *	Pres. Lincoln To San Francisco 12 and Los Angeles via Honolulu	13
14	* 15	16	Pres. Wilson To H'kong, Manila, 17 Europe, New York and Boston	18 *	* 19	Pres. Pierce To H'kong & Manila 20 Pres. Cleveland To Seattle and Victoria, B. C. via the Short Route
21	22	* 23	Pres. Jackson To H'kong & Manila 24	25 *	Pres. Madison To San Francisco 26 and Los Angeles via Honolulu	27
28	29	30	To Seattle and Victoria The Short Straight Route Fortnightly Sailings on Saturdays			

1929 MAY 1929

SUN	MON	TUE	WED	THU	FRI	SAT
To San Francisco and Los Angeles vis Honolulu The Sunshine Route Fortnightly Sailings on Fridays			Pres. Van Buren To H'kong, Manila, 1 Europe, New York and Boston	2 *	* 3	Pres. Taft To H'kong & Manila 4 Pres. Pierce To Seattle & Victoria
5	6	* 7	8 Pres. Mckinley To H'kong and Manila	9 *	Pres. Jackson To San Francisco 10 and Los Angeles via Honolulu	11
12	13	14	Pres. Hayes To H'kong & Manila 15 Europe, New York and Boston	16 *	* 17	Pres. Jefferson To H'kong & Manila 18 Pres. Taft To Seattle & Victoria
19	20	21	22 Pres. Grant To H'kong & Manila	23 *	Pres. Mckinley To San Francisco 24 and Los Angeles via Honolulu	25
26	* 27	28	Pres. Polk To H'kong & Manila 29 Europe, New York and Boston	30 *	31	Note *Indicates date of steamers arrival in Shanghai

48-364



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; April Customs Rate Tls. 1.45 equal Gold $1

PRESIDENT MADISON, Feb. 9.

Leather, Sole, other	Pls.	266
Newspapers, Old	,,	840
Oranges, Fresh	,,	16
Paper, Chipboard	,,	913
Soda Ash	,,	1,627
Shrimps, Dried	,,	163
Lemons Fresh	Mille	77
Oil, Lubricating, Mineral	Galls.	10,500
Varnishes	,,	741
Machines, Calculating	Pcs.	14
Motor-cars	,,	19
Motor-cars, Parts of	Hk.Tls.	1,460
Treasure:		
Silver Bars	,,	936,167

PRESIDENT PIERCE, Feb. 14. From U. S. A.

Lead, Pig	Pls.	841
Apples, Fresh	,,	74
Flour, Wheat	,,	551
Hams	,,	13
Hay	,,	40
Ink, Printing	,,	200
Oats	,,	17
Paper, Printing (Wood free)	,,	2,336
Shrimps, Dried	,,	122
Vegetables, Fresh	,,	18
Motor-cars	Pcs.	35
Dyes, Aniline Pkgs.	Hk. Tls.	4,038
Infants' Food	,,	720
Motor-car Accessories	,,	12,939

NORDBO, Feb. 14. From U. S. A.

Iron Pipe Fittings	Pls.	21
Iron Galvanized:		
Pipe Fittings	,,	28
Tubes	,,	506
Steel, Scrap, Old	,,	751
Tinned Plates, Scraps	,,	2,640
Tinned Plates, Plain	,,	1,680
Flour, Corn	,,	8
Gum Resin	,,	2,464
Gum Dextrine	,,	16
Oakum	,,	18
Tanning Extract	,,	233
Turpentine, Vegetable	Galls	1,168
Motor-cars, Parts of	Hk. Tls.	14,212

IYO MARU, Feb. 14. From U. S. A.

Copper Ingots	Pls.	2,100
Flour, Wheat	,,	1,470
Milk, Evaporated	,,	1,139
Wheat	,,	15,750
Motor-cars	Pcs.	10

PACIFIC MARU, Feb. 14. From U. S. A.

Iron, Scrap, Old	Pls.	396
Steel Bar Ends	,,	233
Steel Plate Cuttings	,,	274
Oil, Kerosene, in Case	Galls.	40,000
Oil, Lubricating, Mineral	,,	26,115
Turpentine, Mineral	,,	2,499

NUOLJA, Feb. 14. From U. S. A.

Timber:		
Softwood:		
Ordinary, Sawn	Sup ft.	500,860
Clear	,,	60,040
Merchantable	,,	400,135
Laths	Pcs	200,000

JAPANESE PRINCE, Feb. 16. From U. S. A.

Wool and Cotton:		
Palm Beach Cloth	Yds.	299
Aluminium-foil	Pls.	17
Aluminium Wire	,,	15
Iron Pipe Fittings	,,	81
Iron, Galvanized:		
Pipe Fittings	,,	218
Tubes	,,	803
Steel, Galvanized:		
Wire	,,	11
Wire Rope	,,	58
Tinned Plates, Plain	,,	1,378
Tinned Plates Scraps	,,	235
Cuttle-fish	,,	28
Dextrine	,,	113
Lead-foil and Tinfoil Mixture	,,	790
Indigo Paste, Artificial: 50 per cent. strength	,,	107
Oakum	,,	11
Paper, Coated	,,	1,453
Starch	,,	2,211
Tobacco, Leaf	,,	5,246
Cigars	Mille	10
Oil, Lubricating	Galls	25,768
Oil, Transformer	,,	200
Shoes	Paris	1,926
Dyes, Aniline Pkgs.	75 Hk. Tls.	2 805
Machinery	,,	24,706
Motor-cars Accessories	,,	1,277
Treasure:		
Silver Bars	,,	2,297,969

GRAYS HARBOR Feb. 20. From U. S. A.

Flour, Wheat	Pls.	122
Timber:		
Softwood, Merchantable	Sup.ft.	65,514

MYRTLEBANK, Feb. 20. To U. S. A.

Antimony, Regulus	Pls.	8,400
Bristles	,,	50
Oil, Wood	,,	9,678

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 April 17.
Market Weak Business Done 2,365,000 Shares.

STOCK	Sat. Mar. 2	Monday April 15	Tuesday April 16
Alleghany Corp		33⅜	Unq
Allied Chemical & Dye (Com.)	300	275	279
American Can (Common)	121⅞	130⅜	135⅞
American Smelting	125⅛	102⅛	101¼
American Sugar		78	79
American Tel. & Tel. (Com.)	216¾	217⅞	219½
American Tobacco "B"	176	Unq	167
Anaconda Copper	151¾	141¼	138⅛
Andes Copper	66½	51¼	52½
Armour & Co. "A"	15⅝	13⅛	13⅞
Armour & Co. (Ill.) 7% Pfd.	82½	78⅜	Unq
Atlantic Refining (Com)		58	57⅛
Baltimore & Ohio	120	123	122¼
Bank of Montreal		Unq	Unq
Bethlehem Steel (Common)	105	109⅞	110⅜
Calumet & Hecla	59½	47⅛	45
Campe Corp.	100	Unq	Unq
Canadian Pacific Railway	255¼	Mutl	234
Chicago Northwestern		83½	83⅛
Chrysler	108¾	88¼	91⅞
Columbia Gramaphone		67	68
Consolidated Gas of New York	112⅜	103¼	102½
Continental Diamond Fibre		29½	28⅞
Coty Incorporated	67¾	59¾	59
Davison Chemical	61⅞	55⅛	55⅜
Dry Docks	21½	16⅜	16¾
Du Pont de Nemours	186½	177	177
Fox Film "A"		86	86¾
General Electric Co.	246½	232	234
General Motors	83⅝	83¾	84¼
General Railway Signal (Com.)	110	98⅞	98⅜
Gold Dust	73⅝	65	64½
Goodrich Rubber	100⅜	88¼	87
Granby Consolidated	93⅞	89½	83¼
Great Western Sugar		38¾	38
Haygart	66	68½	66½
International Cement (Common)	96¾	87	Unq
International Harvester		105¾	106⅛
International Match, Pfd.	92⅛	85	83¼
International Nickel (Common)	66⅛	47¼	47½
International Printers Ink	None	54	Unq
International Products Corp. (Com.	None	None	None
Johns Manville		178	178½
Kelvinator	16	14⅞	15
Kennecott Copper	91¾	83¼	84¼
Lehigh Valley		Unq	90¾
Liggett & Myers, Class "B"	90¾	87	88
Mack Trucks	108⅛	103	103⅜
Madison Square Garden	22⅜	None	19
Marland Oil		43¼	42¾
Mathieson Alkali		186	188
Missouri Pacific (Com.)	85¾	79⅝	79¼
Montgomery Ward		116⅛	120
Nash Motors		98¾	98⅜
National Dairy Products	133⅝	127⅜	127⅜
National Distillers Pfd.		Unq	78½
Nevada Consolidated Coppor	58⅞	48¼	47¼
New York Central Railroad	198	182½	182
Norfolk & Western	199¾	Unq	194¼
North American Aviation	16	15⅛	15½
Northern Pacific Railway		102	Unq
Packard Motor Car Co. (Com)	146⅞	126	127½
Paramount Lasky	66	Unq	Unq
Pennsylvania Railroad	79⅝	76½	76⅛
Phillips Petroleum	39⅞	42½	42⅛
Radio Corporation	400	94	91¼
Reading Railway		103	105⅞
Reynolds Tobacco, "B"	61¼	54⅛	55½
Rock Island Railway		123¾	123⅛
Shell Union Oil	27⅛	31	34
Southern Pacific Railway	134½	125¾	126¼
Standard Gas & Electric (Com)	92⅛	86	86
Standard Oil of New Jersey	49¼	59	59½
Standard Oil of New York	40	44⅛	44
Texas Corporation (Common)	59⅝	66⅛	66
Texas Gulf Sulphur	76¼	81	80⅝
Timken Roller Bearing	84¼	80⅛	80⅝
Union Carbide	215	216¾	216⅞
Union Pacific Railroad (Com)	299¾	Unq	214
U. S. Inter. Security Pfd.		43	43
United States Leather "A"	51	50	49
United States Realty & Imp Co.	59⅛	91¼	92⅞
United States Steel	188½	187⅛	184¾
Vanadium Oil	122	124½	126½
Vanadium Corp.	108¾	94½	94
Warner-Quinlan (Com)		34¼	34
Westinghouse Elec. (Com)	158⅞	146¾	147
Willys Overland Co.	31¾	25½	25⅝
Wright Aeronautical	280	233¼	231

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Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

Chinese Government Railways

Peiping-Hankow Line

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Time Table

In effect Feb. 20, 1929

From Peiping to Hankow

Station / Train	Peiping	Shih-kia-chuan	Cheng-chow	Hsiao-kan hsien	Han-kow
* No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19.27 d.20.07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a 10.50		
No. 23	d. 5.40	a 21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Han-kow	Hsiao-kan-hsien	Cheng-chow	Shih-kia-chuan	Pei-ping
* No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
* No. 12	d.10.50	a 14.51 d.14.56	a 13.13 d.13.33	a 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a 16.01 d.16.03	a 10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a.20.06
No. 74	d. 7.45	a.11.39			

REMARKS: *With First, Second and Third Class Dining Cars.

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In Construction: From Lingpao to Sianfu: 225 Kilometers

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The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認爲登之報紙

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VOLUME XLVIII SHANGHAI, CHINA, SATURDAY, APRIL 20, 1929 NUMBER 8

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Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE; POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs
The Cost of "Protecting" Japanese Lives 305
Lesson from the Hongkong Hotel Fire 306
Troubles of the Chinese-American Bank 306
The Political Outlook After Wu-Han 307
The Battle of the Billboards 310
The Press and the Conference on Pacific Relations 311
Special Articles
Significance of the Coming Silk Conference ..... By Paul K. Whang 314
Aircraft Construction in the Chinese Navy...By F. Wong 315
Clearing Up General Fukuda's Mess in Shantung; and After ..... By J. J. Heeren 319
The Problem of China's Unification ..... By Harry Paxton Howard 324
China and Japan To-day ..... By C. Y. W. Meng 331
Chinese Nationalism: Yesterday and To-day ..... By Lee Chun-yung 334
Men and Events 340
Who's Who in China 341
Japanese News Reports on Chinese Situation 342
From the Chinese Press 343
New Books of Interest in the Far East 344
What the Ships Carry between America and China v

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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THE COST OF "PROTECTING" JAPANESE LIVES

THERE WAS an interesting *Reuters* report from Peiping on April 11 which apparently was based upon information obtained from the Japanese Legation in that city, dealing with the evacuation of Japanese troops from Shantung Province. This report stated that due to the anxiety that existed among the Japanese that the Chinese might not be able to afford due protection to Japanese residents in Tsinan the capital of Shantung, that it had been decided to evacuate all Japanese women and children to Tsingtao. In this connection it was stated that the Japanese Residents Corporation had appropriated the sum of $15,000 covering traveling costs and living expenses for a period of one month. This appropriation of $15,000, of course, was only to cover the traveling expenses and living costs of the women and children which probably make up half the Japanese population in the Shantung provincial capital. Apparently the men are not to be evacuated, but if they were the total cost probably would not exceed $50,000 for the whole job and then to be on the safe side, if business losses for a period of one month could be estimated, the whole enterprise probably would not exceed a million dollars. This serves to give some approximation of what it would have cost the Japanese Government last year, had that Government removed its residents to Tsingtao instead of trying to defend them in Tsinan which is located some 250-miles inland from Tsingtao at the western end of the Tsinan-Tsingtao Railway. But instead of evacuating the Japanese residents, General-Baron Tanaka and the military clique in control of the Japanese Government decided that the Japanese residents would be instructed to remain in Tsinan and an army was sent to protect them "where they were." This is exactly what the Japanese Government did, and while the exact number of Japanese troops of all classes which were sent into Shantung Province is not known it was estimated that the number was somewhere between 25,000 and 30,000. There has likewise been no official announcement of the total cost of the Japanese expedition, but one of the Chinese newspapers recently published a report, allegedly from its correspondent in Tokyo, which stated that the Japanese military adventure into Shantung Province had cost the Japanese Government (and people) more than Yen 40,000,000. This may have been an exaggeration, but that it can't be far off was indicated in Tanaka's recent request of the Diet for an appropriation of Yen 2,500,000 covering the expenses for about one month. The number of Japanese troops in Shantung at this time is thought to be about 6,000, about one-quarter of the number sent in originally.

A KNOWLEDGE of this situation makes it simple to understand the row which the Japanese newspapers kicked up over what they considered to be a "dishonorable" settlement of the Tsinan incident, that is, from the standpoint of the Japanese Government. The Japanese newspapers are, of course, exactly right. The Japanese military adventure into Shantung was a disastrous and dishonorable affair and one wonders how the Japanese people can continue to put up with a Government that was responsible for this mess. The intervention in Shantung if considered purely from the standpoint of the Japanese Government's announced purpose—the protection of Japanese lives and property—was a disastrous failure. It precipitated a fight with the Chinese Nationalist troops that resulted in the deaths of some fifteen Japanese civilians and the destruction of considerable Japanese property. Furthermore it resulted in the killing of a considerable number of Japanese soldiers. From the standpoint of trade losses the figures, due to the anti-Japanese boycott provoked by the intervention, has undoubtedly run to a staggering total because Japanese business in Shantung has been dead for months. The exact terms of settlement of the Tsinan incident have not been announced, but that Japan will realize little in a monetary way goes without saying because the Chinese have insisted that the losses suffered by the Japanese must be set off against the losses suffered by the Chinese. Then when one considers the Japanese intervention in Shantung from the standpoint of its underlying motive—the attempt to block the Nationalist advance on Peiping—it must be marked down as an even more disastrous failure because the Chinese were able to overcome the obstacle and capture Peiping in spite of the hurdle that the Japanese placed in their path. Now we read that the National Government has assigned Shantung Province to Marshal Feng Yu-hsiang, the one Chinese General that the Japanese have always professed to dislike the most on account of his extreme nationalist ideas. Then, aside from these present considerations there is the further element of Sino-Japanese animosities engendered by the clash between Chinese and Japanese soldiers at Tsinan that is likely to be far-reaching in its ultimate consequences. Practically every speech which has been delivered by a Chinese official on the question of military preparedness since the Tsinan incident last year, has mentioned Japan as the potential enemy of China; hence the drive on every side, military, naval and air-craft, for the "day" when China will be sufficiently strong to measure strength with the Japanese Empire.

LESSON FROM THE HONGKONG HOTEL FIRE

THE KING EDWARD Hotel, which occupied one of those old-style brick structures at Hongkong which are common to all Far Eastern ports, burned on March 11 resulting in the loss of several Chinese and foreign lives. The British colonial government ordered an official inquiry into the incident which was published on April 10. The report stated that the building "was unsuitable for occupation as a hotel; that the internal design and construction was such that, without adequate external means of escape, it constituted a fire-trap; that the management of the hotel was remiss in having the only practicable fire-exit kept locked." The report concluded with the statement that the "deplorable loss of life was due to the inadequacy of external fire-escapes" and recommended that the Government should be invested with power to require that electric installations in old buildings used as hotels, office buildings, etc., should be maintained in an efficient and safe state. The account of the fire which appeared in the Hongkong papers stated that it started at the foot of the elevator-shaft and since the stairway encircled the elevator-shaft, all means of exit were cut off except the fire-escape, the door of which was locked. As a result of this situation the hotel guests were forced to leap from the windows into the street. Shanghai should be interested in this incident for the conditions at the King Edward Hotel in Hongkong are duplicated in certain well-known and allegedly "first-class" hotels in this city. One foreign hotel which we have particularly in mind here is an obvious fire-trap and should a fire occur there probably would be serious loss of life. Should this occur, Shanghai would, like Hongkong, become tremendously excited and hold an official inquiry—*after the incident*. In the meantime nobody pays any particular attention to the situation, and hotel guests, with no other place to stay, are forced to reside in these fire-traps and required to pay first-class prices for mediocre service. Apparently the only thing these hotel managers are interested in is profits and dividends, because when any money is spent on improvements it usually goes into the down-stairs lobby which is made to present a "million-dollar" appearance all out of keeping with the mediaeval condition of the rest of the building.

TROUBLES OF THE CHINESE-AMERICAN BANK

A CURIOUS mixture of politics and banking has been revealed in connection with reports from Hankow pertaining to the affairs of the Chinese-American Bank of Commerce. The first report which was by *Reuters* from Hankow on April 10 stated that Gen. Chiang Kai-shek had ordered the temporary closing of the Hankow branch and had issued an order stopping the circulation of the Bank's notes in the Wu-Han district. Continuing the report stated the American holdings in the bank had been sold to members of the Kwangsi clique and it was alleged that when Gen. Hu Tsung-tu fled from Hankow he took along with him approximately $1,000,000 in silver from the bank's vaults. Immediately following the publication of this report in the Shanghai newspapers, local officials of the head office of the Chinese-American Bank in Shanghai issued a statement on April 12 denying that the American holdings in the bank had been sold to Chinese interests, but admitting that the Kwangsi military leaders in Hankow had deposited the sum of $1,600,000 in the Hankow branch of the bank. The managers of the Shanghai office also stated that the closing of the Hankow branch would not adversely affect the business of the other branches in Shanghai, Peiping, Tientsin, Tsinanfu and Tsingtao. The closing of the Hankow branch of the Chinese-American Bank has been responsible for the circulation of various rumors regarding the alleged instability of the Bank, most of the reports being to the effect that 90 percent of the American interest in the institution had been sold to members of the Kwangsi clique in the Kuomintang and that notes to the amount of approximately $2,000,000 bearing the signature of the head office had been issued in Hankow for the purchase of war supplies and payments to the troops. It was stated that when Gen. Chiang found out what had happened, he telegraphed to Mr. T. V. Soong, Minister of Finance at Shanghai and that Mr. Soong had issued instructions forbidding further issuance of notes

pending an investigation. In view of the disturbing effect which these reports have caused in Shanghai, it is obvious that something should be done by either the Chinese or American authorities, or both, to reassure the public regarding the actual condition of the bank. The Chinese-American Bank of Commerce was established in Peiping on December 11, 1920, the purpose of the promoters being to foster Chinese-American commercial relations and industrial development in China. The paid-up capital was $7,000,000 (silver) which was subscribed in equal proportions by the American and Chinese interests. The first president of the institution was Mr. Chien Nun-hsun, former Prime-Minister in the Peiping Government and the vice-president were Messrs. J. A. Thomas and Hsu En-yuan, the former having previously been managing director of the British-American Tobacco Company, while Mr. Hsu En-yuan had been manager of the Bank of China in Peiping. However, upon the death of Mr. Hsu, the Chinese vice-president in Peiping several years ago, Mr. Thomas resigned and since has resided in New York. The American directors included Messrs. Galen F. Stone, A. H. Wiggins, Edward B. Bruce and S. B. Stevenson, bankers of New York. Mr. Stone was president of Hayden, Stone and Company, investment bankers of Boston, while Mr. Wiggins was head of the Chase National Bank of New York. The Chinese directors included several men who were prominent in official and commercial life in Peiping and Shanghai. The bank started out under most favorable auspices, but it was reported last year that serious losses were suffered as a result of the collapse of the Peiping Government due to the occupation of North China by the Nationalist forces. Mr. Claude C Foulk who had been American auditor of the Bank for several years returned to the United States last year and is now Connected with the Bankers Trust Co. of New York.

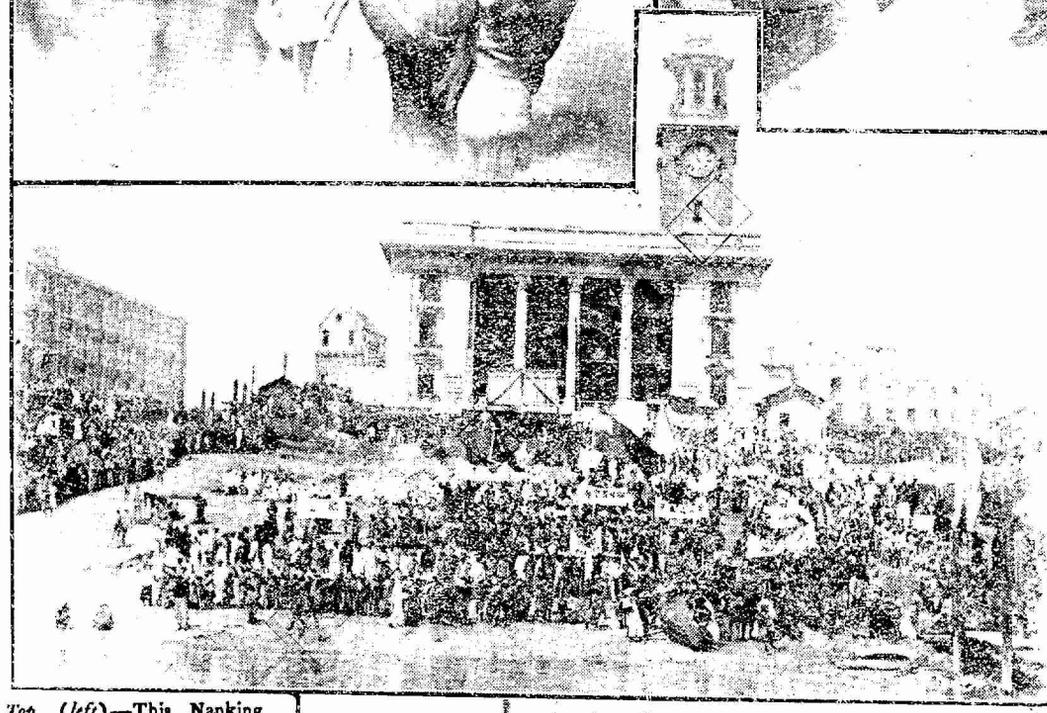
The Political Outlook After Wu-Han

IN A CONSIDERATION of the political situation which appeared in *The Review* on March 23, a few days prior to the outbreak of hostilities between the forces of the Central Government under Gen. Chiang Kai-shek and the Kwangsi faction in the Kuomintang, it was explained that there were five major military and political elements likely to be involved in the conflict. These five military-political groups were led by Generals Chiang Kai-shek, Feng Yu-hsiang, Yen Hsi-shan, Li Tsung-jen and Chen Ming-hsu. It was stated that the Government hoped, in the event that hostilities were unavoidable, that the fight would be short and decisive, otherwise there was a fear that the disturbance might spread over the entire country with the inevitable recrudescence of feudalism and radicalism. It is no secret that Gen. Chiang Kai-shek was severely criticised for his action in arresting one of his chief political opponents, Gen. Li Chi-sum and also for precipitating a fight that many felt could have been settled peacefully by compromise.

This Interesting Picture of the Major National Military Leaders Was Taken a Short Time Before the Recent Political Turnover. It Shows in the Front Row (left to right) Gen. Li Chi-sum, Gen. Li Chung-jen, Gen. Chiang Kai-shek and Marshal Feng Yu-hsiang. As an Evidence of the Rapidly Shifting Scenes in China, Gen. Li Chi-sum Is Now Being Detained in Nanking and Gen. Li Chung-jen, the other Kwangsi Leader, Has Fled Back to His Home Province.

Succeeding events however have amply demonstrated that Gen. Chiang, from a military standpoint, knew what he was about when he decided to take immediate action against his opponents. His arrest of Gen. Li Chi-sum disorganized the camp of his opponents and was directly responsible for the split in the Kwangsi camp at Canton leading to the return to power of Gen. Chen Ming-hsu and the ousting of the Kwangsi generals from control of Kwangtung Province. Of the four leading Kwangsi generals, Bei Tsung-chi, Li Chung-jen, Li Chi-sum and Hwang Shao-hsiung, who apparently were in conspiracy against Gen. Chiang, the beginning of the clash found one, Li Chi-sum, in confinement at Nanking, two others, Li Chung-jen and Bei Tsung-chi, were away from their troops, and the third, Gen. Hwang Shao-hsiung, at Canton, found himself unable to cope with a combination of Cantonese generals who were more interested in regaining control of their home province than in involving themselves in a renewal of the civil war. The actual fight turned out to be a brief one, practically without bloodshed. Generals Bei Tsung-chi and Li Chung-jen were not

WHEN GENERAL CHIANG'S FORCES OCCUPIED HANKOW



Top (*left*)—This Nanking trooper seems to be happy he is alive and on the winning side.

Top (*right*)—General Chiang Kai-shek walking up the gang-plank leading to the Hankow Bund. General Chiang arrived in Hankow on the National Gunboat Chu-Yu which was shortly followed by several other National Gunboats.

Center—Newspaper correspondents in Hankow estimated that fully 50,000 people turned out to welcome Gen. Chiang Kai-shek and his associates after the "bloodless" victory which resulted in the ousting of the Kwangsi faction from control of the Wu-Han cities early this month.

Bottom—One of the many parades (accompanied by the usual fire-cracker barrage) that were organized in Hankow for the purpose of welcoming the Nanking forces to the Wu-Han cities following the collapse of the Kwangsi defenses early this month. The inscription on the banner carried by the paraders in the picture, reads, "Welcome Gen. Chiang."

48-372

able to get into it at all and the resistence of their subordinates at Hankow shortly collapsed. When Bei and Li finally got back to South China they found themselves unable to lead an army to the assistance of their subordinates at Hankow owing to the determination of the Cantonese to stay out of it and maintain the neutrality of their home province. The old saying that "he who fights and runs away will live to fight another day" has always applied in Chinese politics, hence it is impossible to say at this time whether the Kwangsi military leaders, will attempt to stage a come-back. Their armies are practically intact but their opportunities for building up a fresh war-chest have been greatly reduced, particularly if the Cantonese generals and politicians are able to maintain their control of Canton. The future activities of Gen. Li Chi-sum, who is still in confinement at Nanking, will also have a considerable bearing on the situation.

Looking at the situation from the standpoint of Gen. Chiang Kai-shek and the Central Government, the recent political turnover has been of immense benefit from the standpoint of centralization of military and financial power. At the beginning of the recent complications, the Central authorities only controlled five provinces from the standpoint of military and finance. They were Kiangsu, Chekiang, Fukien, Kiangsi and Anhwei. Now they control two more important provinces, Hunan and Hupeh and at the time of writing Mr. T. V. Soong, Minister of Finance, was in Hankow engaged in reorganizing the finances of these two provinces on behalf of the Central Government. The situation in Kwantung Province, however, is still obscure, the leaders in Canton apparently having adopted a wait-and-see policy from the standpoint of lending real cooperation. A report from Canton on April 15 stated that while the Kwangsi militarists ha l been evicted from Kwangtung, there seemed little liklihood of trouble between Kwangtung and Kwangsi, although Gen. Chiang was reported to have issued instructions to the Cantonese leaders to launch an attack upon Kwangsi. It was indicated that Kwangtung and Kwangsi were rather inclined toward an alliance due to the common fear of another 'communist' uprising since it was alleged that the so-called "radical" army which had been sent into southern Kiangsi by Gen. Chiang was on the point of invading Kwangtung. As a result of this, wealthy Chinese residents of Swatow had begun to depart from that city and Canton had another 'communist' scare resulting in the raiding of Chungshan University and martial law for several days.

The breaking of the Kwangsi resistence and the occupation of Hunan and Hupeh by the Central Government have had the inevitable effect of concentrating attention upon the relations of the two remaining major military leaders, Marshal Feng Yu-hsiang and Gen. Chiang Kai-shek, for while the recent turnover has increased the military and financial strength of the Central Government which is headed by Gen. Chiang Kai-shek, it has also indirectly contributed toward the strengthening of the position of Marshal Feng Yu hsiang. Recent reports have emphasized their supposed rivalries for the control of Hupeh in the Yangtsze Valley and Shantung on the Pacific seaboard. Before the recent outbreak it was alleged that Marshal Feng would "play both sides" with the object of increasing his own power, but Feng supported the Government and sent his troops into Hupeh for the purpose of assisting in the capture of the Wu-Han cities. That his troops were not needed was not the fault of Feng, the circumstances of his mobilization being explained in his statement which was circulated by the *Kuo Min* news agency on April 16.

"At the outbreak of the Hunan incident, the Central Government repeatedly telegraphed to the defiant Wu-Han authorities to show their repentance, at the same time asking my opinion concerning the matter. I immediately replied that the Central Government should maintain its dignity and authority by peaceful means but that should force be resorted to I would obey the orders of the Central Government.

"Subsequently I received a telegram from President Chiang stating that Han Fu-chu had been appointed Commander of the Third Route Army. I was afraid that Han's forces were insufficient and suggested that one more division be added to his army; so that with the forces under Shih Yiu-san, Chang Wei-ni, Chang Chun-yung, Wan Hsuen-tsai, Liu Mong-en and Ma Hung-ping there were six divisions in the 3rd Route Army.

"Following the mobilization of the troops, I despatched, on April 1, a circular telegram, supporting the mandate of the Central Authorities. Han Fu-chu at that time was the Chairman of the Honan Provincial Government and upon receipt of the Government's order appointing him Commander, he came to consult me at Hwashan relative to his duties in Honan. I advised him to return to Chengchow and on April 2, he issued a telegram announcing the assumption of his office as Commander of the 3rd Route Army. Then followed organization of his staff, many of whom were hurriedly transferred from various places, and, after a further exchange of telegrams, the order to advance was issued. The division under Shih Yiu-san advanced by way of Nanyang and Sianfan. Chang Chun-yung led his division to Wushengkwan by way of Sinyang, while Chang Wei-ni's division advanced from southern Honan. These columns were supported by reinforcements in the rear which were mobilized simultaneously.

"At the beginning of the expedition, all orders from the Central Authorities were transmitted through me, but later, in order to avoid delay, the various units were placed under the direct control of the Commander-in-Chief.

"On the 3rd of April, Shih Yiu-san's forces reached Sianfan just when the troops under Li Ming-shui pledged allegiance to the Central Government and were being reorganized by order of the Commander-in-Chief. Shih Yiu-san, therefore, halted the advance of his army to wait for further orders. Chang Wei-ni's division arrived at Peiho on April 4 and Chang Chun-yung's division reached Kwangshui two days later (April 6). Both divisions, upon receipt of reports of the fall of the Wu-Han cities, stopped their advance. The division under Chang Chun-yung was later withdrawn to Wushengkwan."

This statement by Marshal Feng Yu-hsiang was issued for the obvious purpose of answering the propaganda that has been spread that he was preparing for active opposition to Gen. Chiang Kai-shek. It followed an earlier declaration by Feng, addressed to the provincial authorities in Honan, Shensi, Kansu, Kokonor and Ninghsia, generally looked upon as Feng's "territories", which pointed out that "the efficiency of the Government depended upon the degree of unity and centralization of authority of its government and that since the Kifeng Division of the Central Political Council (controlled by Feng) had been abolished, that all governmental affairs under the jurisdiction of the Central Government should be referred to the Central authorities and carried out according to the orders of the Central Government." In Feng's circular telegram issued on April 16 he went still further by stating,

"With Wu-han pacified, we should go one step further and co-operate with one another in supporting the Central Government and President Chiang Kai-shek, so that the program of military reorganization and disbandment can be carried out in the interest of the nation and the people. If this can be achieved, we may look upon the difficulties which confront us today as a blessing in disguise. Difficulties often make a nation, so let us be encouraged. As for myself, sickness has rendered it impossible for me to do what I wish and should. I am at present recuperating here in Hwashan. But as soon as I feel better I shall proceed to the Capital. It is not in me to quarrel with other people. The Head-quarters of the 2nd Group Army and the Kaifeng Division of the Central Political Council have been abolished, and all civil and military powers are

in the hands of the Central Government. I have likewise resigned from my position as Minister of War. I wish merely to be an ordinary member of the Kuomintang."

As for Gen. Chiang Kai-shek, his plans in respect to Hunan and Hupeh provinces were indicated in a statement issued on April 16 in which he said that his aim "was to create an efficient district autonomous Government. The Central Government desires to exercise as little authority in the country's local affairs as possible. The privileges and rights of Hunan and Hupeh must be safeguarded by the people of the two provinces themselves, and, therefore, the Central Government will only appoint competent men from among the natives of Hunan and Hupeh to administer their provincial affairs." If Gen. Chiang is able to carry out this declaration of intentions he will go a long way toward the creation of stabilized political conditions in China, because no military commander in China since the establishment of the republic in 1911 has been able for a very long period to over-ride the natural desire of the provinces to control their domestic affairs. The recent collapse of the Kwangsi faction was due in large measure to the provincial autonomy movements in Kwangtung, Hunan and Hupeh which left the Kwangsi military leaders without support and forced them to return to their home province.

Whether China will now be able to enjoy a period of peace and embark upon the National Reconstruction Program in earnest, depends largely upon the future relations of Gen. Chiang and Feng Yu-hsiang. While they differ widely in their personal inclinations and views regarding the interpretation of the "Three Peoples Principles" their hearty cooperation, each in his field, would shortly work wonders in the political and economic reconstruction of the country. Gen. Chiang who comes from Chekiang Province, the son of a family of merchants, is a natural leader of the commercial and financial elements in the country. He has repeatedly demonstrated his leadership of these classes since he broke away from the Wu-Han radicals in 1927, and while he does incline toward the merchants and bankers, he has had sufficient political sense to realize the importance of compromise with the leaders of the so-called peasant-labor "masses" who constitute the foundation of Chinese society. Marshal Feng Yu-hsiang, on the other hand, literally comes from the soil, of peasant stock; hence his appeal to these classes which undoubtedly comes from the heart rather then from political motives. In his recent indictment of the Kwangsi faction he said,

> "Under the pretext of exterminating the Communists, they put out of existence many of those who dared to differ from them and many of our youths who refused to become their tools were accused of being Communists and summarily disposed of. Hundreds and thousands of such innocent members were murdered in this fashion. Even I, myself, was accused by them of being sympathetic with the Communists and conniving with them when some of the Communists who had committed light offenses were merely punished with imprisonment. All these are what I have personally observed and have refrained from exposing, out of a sincere desire to avoid further internal strife."

By working together Feng and Chiang have sufficient military and political strength to dominate the country and direct its future into a well-rounded development because they appeal to classes in the population which must work together if the country is to avoid class warfare and the dictatorship of one class over another. Surely there should be sufficient political intelligence in the country to see that these two men do work together instead of at cross-purposes.

The Battle of the Billboards

ALONG with its rapid "Americanization" in many other respects, Shanghai seems to have contracted a major case of "billboarditis." When this plague of paper-pasting reached its climax in the United States several years ago, it finally was recognized by the more intelligent communities as constituting a really dangerous menace to the beauty and tranquility of their cities. Public opinion definitely moved against it. Today the model American metropolis has strict rules against the erection of signboards within certain areas. Some of the more advanced districts even forbid the hanging of projecting signs in the populous business streets and a few of the prouder towns have eliminated extravagant displays altogether.

When billboards first were introduced in the interior of China by a Japanese patent medicine concern the Chinese manifested a most hostile attitude toward them. In a number of villages demonstrations of wrath took the form of great mass meetings, where the more offensive advertising boards publicly were burned. For some time this resentment succeeded in keeping the bill posters from plastering their slogans on the portals of the sacred places, but lately they have become bolder. Today one frequently is greeted with the spectacle of a devout Chinese burning prayers in a thousand-year-old brazier, glistening beneath a blue tiled temple roof over which flames some placard bearing the legend of a patent medicine, or enumerating the merits of the latest model of the "Wessex Twin Six."

Such an incongruity may be seen in Shanghai, at the flank of the ancient Bubbling Well, where stands the temple of the Goddess of Mercy. For a city of three million people, Shanghai is notoriously destitute of those sanctums of worship which in most big cities furnish some evidence of moral atmosphere. But the gods of the Chinese seem to have avoided the city of Hu. The Bubbling Well temple has been, and remains, practically the only symbol of spiritual China in this city which holds more sons of Han than any other. It is a kind of last stronghold of the gods. And now it is defaced and rapidly being obliterated by the high walls of outdoor advertising. At present the casual passer-by might cross and recross the shadow of this ancient place of worship a dozen times, yet be oblivious that behind the great mass of bilious yellows and greens and other sickly pigments wasted upon the tin billboards, there struggles the slowly languishing soul of China.

The billboard "racket" has won many proselytes in Shanghai. Besides the hierarchy of advertising potentates who rule the choicer locations, there are dozens of "free-lancers." The latter, with little capital of their own, go forth and make contracts with the lot owners, and then, on the basis of these, solicit the business of the short-sighted merchants who promiscuously employ this primitive means of broadcasting their wares. Competition for display space is becoming increasingly keen, a prominent outdoor advertising agent tells us. Not only is there "legitimate" counter-bidding between "recognized advertising authorities," but nowadays one must meet the outrageous offers made by "irresponsible persons" such as the independent operators we mentioned. "What the outdoor advertising industry needs," this

gentleman naively informed us, "is to combine and get a monopoly on this business, so that any advertiser who wants to use billboards will have to deal exclusively with recognized agents, or else be refused the use of the best locations, which are controlled by them!"

It is only natural that he should feel thus, as indeed it is only natural that he recommends to all his clients that they spend the bulk of their appropriations in advertising on his billboards. For observe that the agent may realize anywhere from 30 per cent to 100 per cent as his billboard advertising commission, depending upon his own astuteness, while the most he can hope for from the more reputable journals and newspapers, is but 15 per cent, which often is given to him grudgingly, here in Shanghai, because of the small service he renders.

Then too, this agent proceeded to confess to us, it is not so difficult to get more money out of a client for billboard advertising. By playing on his vanity, a curious string that is in the instrument of even an intelligent man's psychology, the agent easily makes a satisfied billboard customer of his client. The simple device is to discover the route he takes to and from his business and then merely proceed to place the first sign where the advertiser is sure to see it, and glory in all the ugliness of his name in gargantuan display.

Another nice feature of the board is that it is not expected to produce results. It has no coupons attached, no "key letters" soliciting inquiries, can make no timely offers and therefor is relieved of the burden that most newspaper advertising is required to carry—that of bringing in the names of prospects who may be followed up for business. So the "billboardian" knows that his position is secure. His frets are minimized. He ceases to worry over the query that disturbs the sleep of many a publication's advertising manager, "It's pretty,—but can you show me business actually developed?" If one of his clients forgets the etiquette of the game and does make such an interrogation, the agent merely assures him, with calm dignity, that the billboard is not meant to bring in traceable business. Ah, no, he says, it wields its influence in a manner far subtler and grander than that!.

Other than the freak, the bizarre, or the sometimes fairly artistic signs that one occasionally notices with interest sufficient to merit their having been erected, we often wonder if there is any real value in what are termed in the United States "the unsightlies." Certainly nobody can prove it, if there is. Perhaps that in itself is the real reason why these unlovely blots continue to mar the landscape. In practically all other forms of advertising the unbending business truth applies: a thing must be *proved* helpful, or it is assumed to be worthless. Somehow, whether from man's mere vanity, or a lingering confidence in that earlier vague, undefined faith in publicity, regardless of the medium, billboard advertising seems to have sidestepped that test. Yet it is significant that in America great advertisers are spending smaller percentages of their appropriations for billboards and concentrating it in the surer, less offensive mediums such as newspapers, magazines, direct mail, radio, etc.

In Shanghai, where advertising still is passing through the early phenomona of evolution, there is naturally a lack of the perspective and that background of experience which has caused leading advertisers in more advanced cities to abandon gradually the use of billboards. There was a time in the not-distant past when the International Settlement and the French Concession here stood out against the bill-board agents and either prohibited this form of advertising or placed such a high tax on it that the number of signs was negligible. But in recent years the bars have been let down and no section of the city, particularly the International Settlement, is sacred against the ubiquitous advertising sign. Apparently the S. M. C. is not unaware of the rapid increase in what it refers to as "advertising hoardings," for in a recent bulletin it recommended a new levy of "from Tls. 0.10 to Tls. 5. per square foot of advertising per annum," from the occupier of any building having signs boards. However,there seems to be little hope of any actual prohibition, but some day the advertisers themselves may wake up to the fact that the public's unfavorable reactions to the ugliness and incongruity of these futile signs, particularly among people living in communities marred by the monstrosities, more than offsets any doubtful good effects they may have. About that time, then, when the advertisers begin to divert their money into more efficacious channels, they will discover that China is much like any other market, and responds just as readily to well directed advertising.

The Press and the Conference on Pacific Relations

MR. E. K. Moy, who represents the Chinese *Kuo Min* news agency in the United States, has written a letter to *The Review* in which he complains that representatives of the press are to be barred from certain of the sessions of the Conference on Pacific Relations which is scheduled to meet in Kyoto, Japan from October 28 to November 9 this year. Mr. Moy stated that a representative of the Institute of Pacific Relations of Honolulu, under the auspices of which the forthcoming conference is to be held, had announced in New York that certain of the sessions of the meeting would be held behind closed doors. This decision apparently had been made out of deference to the feelings of certain of the national delegations expected to attend the conference, who feared that complications might result from having the meetings open to the press. Although Mr. Moy did not state just what subjects might be expected to cause complications, it is understood that these "dangerous" topics have to do with Sino-Japanese questions pertaining to Manchuria, Japan's loans to China, extraterritoriality, and so on. In this connection, Mr. Moy said,

> "Concedingthat such conferences usually do accomplish a great deal of good, I still cannot understand why even the suggestion of an air of mystery should be permitted to shroud the proceedings, especially when the fact is borne in mind that the conference itself is unofficial and the governments of the nations participating have no official connection with or control over the delegations attending it, and are in no way committed by those delegations in regard to the decision, if any, reached in the course of the conference.
>
> "Hearing, as we do, so much about this era of 'open diplomacy', and the tendency toward decisions 'openly arrived at', even in official conferences and negotiations, it sounds anachronistic for unofficial conferences to hide their operations or deliberations behind a wall of secrecy, secrecy because of the fear that the world may know what some unofficial persons think! It would seem that the better policy for such a conference to adopt would be to let everybody know in advance that all the proceed-

ings will be open to the public, and will be followed by the press (which will report what will interest the peoples of the world), and let those delegates attend who dare to air their views.

"Imagine settling international differences through frank discussion at an unofficial conference behind closed doors, and then at the same time asking the press of the world to co-operate in making known the decisions that may be reached at the conference! It sounds almost as though it were a contradiction in terms. Certainly it does not sound like an unofficial conference, which it really is, and the invitation to the press to co-operate is not a compliment to the press or to its functions."

Without knowing any of the details, we imagine what has happened is that the Japanese delegation to the Conference has begun to develop "cold feet" owing to the prospects of having these various Sino-Japanese questions brought up for discussion and aired before the world, and has made a request that certain questions be discussed behind closed doors. As a matter of fact it was reported last year that some of the Japanese representatives had made unofficial proposals to the Chinese that certain controversial questions should not be brought up at all, or if brought up, should be introduced in some inocuous form so as not to provoke serious controversy. The situation is therefore most interesting and it will be of interest to see what actually happens because the program of the Conference has already been mailed out. The Japanese are not yet accustomed to the western "conference method" of discussing diplomatic problems "out in the open" so to speak, similar to the practice in the United States and in Europe in recent years. The frequent prohibition which the Japanese Government places upon the discussion of controversial diplomatic questions in the press, is sufficient indication of the nervousness which exists in Japan on these matters, an example of which was provided during the recent session of the Japanese Diet when the Japanese newspapers were forbidden to mention the murder of Marshal Chang Tso-ling in Mukden last year. Instead of calling a spade a spade, the Japanese press in reporting the debates in the Diet on this incident always referred to it as a "certain grave incident in Manchuria last summer". When the Japanese press is forbidden to report important debates in the Diet, it is easy to see why the Japanese should be getting nervous over the prospects of having all of their inside diplomatic secrets dragged out before the public at the forthcoming conference and discussed in the press before a curious world. As a matter of fact one wonders how the Japanese happened to permit the Institute of Pacific Relations to select Japanese soil as the meeting place for this year's meeting. However, there is sincere hope that they will go through with it, for while the forthcoming Conference is entirely unofficial, it should accomplish much good in clarifying the Far Eastern atmosphere in respect to certain diplomatic issues which should be reduced to their essential elements. What we particularly have in mind is the so-called Manchurian question, a three-cornered problem involving China, Japan and Russia, that is so beclouded in propaganda as to be practically unintelligible to most persons. According to the advance program which has just been sent out, the Russians have been invited to send a delegation to the Conference, which is all to the good because it is obviously impossible ever to arrive at any constructive settlement of the Manchurian question without considering Russian interests.

The conference of the Institute of Pacific Relations at Kyoto this fall will be the third meeting of this "international, interracial, research and conference body," the purpose of which, according to the announcement, is the "stimulation of research into Pacific problems... the interchange of information ....and the application of the conference method to the discussion of these problems...with a view to the presentation of technical and expert information... etc." The first conference was held in 1925 and the second in 1927. The groups participating in the first conference were from China, Japan, the United States, Canada, Australia, New Zealand, the Philippines and Korea. The second conference was more representative in that there was present a strong British delegation headed by Sir Frederick Whyte, recently appointed a political adviser by the Chinese National Government. This year the meeting will be still more representative due to the expected presence of groups from Soviet Russia, the League of Nations and the International Labor office, and possibly from France, the Netherlands Indies and Mexico. It will almost be the equivalent of a "Pacific League of Nations", which suggestion is significant because one of the questions to be discussed is the matter of creating some kind of machinery in the Far East for the consideration of Pacific problems similar to what has been done in Europe through the League and other means. The possibility of something being done along this line may have had something to do in recently stimulating the League of Nations to send representatives to this part of the world.

Borodin Now Heads Russian Official News Agency

According to a dispatch from Moscow appearing in the *Japan Advertiser*, Michael Borodin, former Russian chief political adviser to the Nationalist Government at Canton and Hankow, has been appointed Managing Director of the Russian official *Tass News Agency*. Since leaving China in 1927, Borodin has been living in a hotel in Moscow, except for a brief period when he went to southern Russia for his health. According to the report, Borodin for several months following his departure from China, was in political retirement due to the collapse of Soviet Russian plans in China as a result of the establishment of the Nanking Government by Gen. Chiang Kai-shek. Recently, however, Borodin has been contributing articles on Far Eastern affairs to Russian newspapers and magazines. Borodin, who is thought to have been an American citizen, resided in Chicago for many years where he and his wife conducted a language school for foreign students in the United States.

Chinese Ratepayers' Executive Committee Elects Officers

The Executive Committee of the Chinese Ratepayers' Association of the International Settlement of Shanghai held its first meeting April 15, when Fung Shao-shan and Wang Shiao-lai were elected Chairman and Vice-Chairman for the year 1929-30 and Lofec Pohung, C. C. Woo and Chen Hsi-chun were elected members of the Standing Committee of the Executive Council of the Association to direct its detailed functions. A special Committee was formed for the study of the matter of the sale of the Electricty Department and another Committee was appointed to investigate the Police regulations of the International Settlement. It was also decided to demand the cancellation of the two per cent extra municipal tax and ask for an increase in the number of Chinese representatives on the Shanghai Municipal Council.

Congressman Dyer Asks Reimbursement for Losses on Whisky Stock

A recent *United Press* dispatch stated that L. C. Dyer, Republican Congressman from St. Louis, Mo., has written the Board of Directors of the New York Curb Market Exchange demanding that he be reimbursed for losses suffered from purchases of stock of the Hiram Walker Distillery Co. Representative Dyer states he purchased a block of stock in the company without knowing the exact nature of its business and later discovered it was distilling whisky. He sold his stock at a loss when he learned the company's business. In appealing for reimbursement for losses he suffered in the deal the Missouri Congressman said the Curb Exchange should not have sold the stock, and that listing the stock of whisky distilleries is illegal.

WONDER HOW LONG A PRIVATE BUSINESS WOULD LAST IF IT WERE RUN THE WAY SOME OF OUR STATE AND LOCAL GOVERNMENTS ARE RUN?

THE BOOKS IN OUR DEPARTMENT WON'T BALANCE
I LET THAT BIG CONTRACT TO A FRIEND OF MINE, SO GO EASY WHEN YOU INSPECT THE WORK
A CUSTOMER ASKED ME A LOT OF SILLY QUESTIONS TO-DAY, AN' BELIEVE ME I TOLD HIM WHERE TO GET OFF!
BOSS, THE BOOKS SHOW ANOTHER BIG DEFICIT THIS FISCAL YEAR
WHY DON'T YOU THROW 'EM AWAY AN GET A SET THAT WILL.
HOW MUCH DO I GET?
THAT'S ALL RIGHT. WE WILL ASSESS THE STOCK-HOLDERS TO MAKE UP FOR IT
DIRECTORS' MEETING
I PUT A DOZEN MORE OF MY FRIENDS ON THE PAY-ROLL TO-DAY
I'VE GOT ALL OF MY FRIENDS AND RELATIVES FIXED UP WITH GOOD JOBS, TOO.
ORR

The above cartoon by Orr in the *Chicago Tribune* on March 19 is of interest in China in that it indicates that squeeze and nepotism, two alleged evils of Chinese politics are not necessarily confined to China, and, in the opinion of the cartoonist at least, are also prevalent in state and municipal governments in the United States.

Chinese Trans-Continental Aviator to be Honored

The Executive Yuan at Nanking in a recent petition to the State Council, recommended that Chen Wen-lin, the Chinese aviator who is now flying in a monoplane from Europe across the continent to China, be publicly commended for his skill and unique achievement upon his arrival in China. The Provincial Governments of the provinces of Kwangtung, Hunan, Hupeh, Kiangsi, Anhwei, Chekiang and Kiangsu are being instructed to make appropriate preparations for the welcome of the airman during his flight to Nanking through the various provinces. It is understood that Mr. Chen passed Rangoon April 16 and is heading for Haiphong, Annam. From Haiphong, he will go straight to Canton, arriving in Amoy about the end of the month.

Japan's Hold on Communication Facilities in Manchuria

According to statistics given in a telegram from Lao-ling, published in the *Sin Wan-pao*, a Shanghai Chinese newspaper, the Japanese have greatly strengthened their control over public utilities in Manchuria by their invasion there. The telegram states that there are in the Three Eastern Provinces 41 Japanese postoffices with eight branch offices and 17 postal agencies, two telephone offices with one branch office, and 7,500 li of wires, and approximately 96 telegraph offices, which last year carried 4,130,000 telegrams; one wireless station and a postal air service between Dairen and Osaka.

Significance of the Coming Silk Conference

BY PAUL K. WHANG

WHILE the universal standard for testing and grading raw silk is still lacking, there always lies a danger of controversy between the producers and consumers as to their contention in interpreting what constitutes the silk of the best grade, or the silk of the lowest grade. This problem, however, is altogether a new one, as in the old days silk was traded by chops only, and the consumers would be satisfied if they were assured of the size and winding quality of the silk they wanted. But as silk is a delicate article, whose production depends upon the quality of cocoons and workmanship, it is only natural that no silk of different lots bearing the same chop will be uniform in quality. Thus the silk consumers have been constantly in danger of not putting out silk goods of an uniform quality, as they have not been able to get the silk of the same quality, even though they have purchased the silk of the same chop all the time.

The American silkmen, being the world's largest consumers of raw silk, have been the first ones to work on this problem. For the past years, they have invented various machines and apparatus to test the quality of raw silk. By means of these machines, they can find out, besides the size and winding quality of silk, its evenness, neatness, cleanness, strength, cohesion and what not. Thereby they have been able to discard the old practice of buying silk by chops only, and to buy silk on specifications, so that they can make sure of the quality of silk they have bought. Much credit has been due to the Raw Silk Classification Committee which under the auspices of the Silk Association of America has contributed much to the development of a tentative standard for the classification of raw silk.

This revolutionary change in the trade of raw silk has caused a great stir among the silk-producing countries in general and Japan in particular, which has contributed more than 90% of the America's annual importation. In facing this change, the Japanese silkmen have lost no time or opportumty to study the American methods of testing and classification, and eventually have worked out a standard of their own. Thus the American consumers and Japanese producers have been always at odds, as each insists upon the applicability of its own standard. In order to make up their differences, last year, during April and May, the Japanese silkmen invited the American scientific men to a conference to discuss methods of testing and classifying raw silk, and to interchange technical information upon methods of testing, grading and classifying raw silk. In order to develop international standardization of methods of testing and grading, further conferences of the like nature are necessary. Therefore the Silk Association of America has decided to call a continuation of such a conference this year in New York beginning October 15, where all the silk-producing countries will be invited.

The Agenda

The agenda of the proposed conference is briefly as follows:

(1) Discussion on methods of testing and classification of raw silk. There will be round table conferences on:
- (a) Sampling
- (b) Winding
- (c) Evenness, cleanness and neatness
- (d) Sizing
- (e) Strength, elongation and elastic properties of silk
- (f) Cohesion
- (g) Demonstration of new methods, apparatus and theories of testing
- (h) Classification of raw silk

(2) Interchange of information on methods of testing and classification of raw silk.

(3) Discussion on characteristic and defects of raw silk affecting:
- (a) Woven goods
- (b) Knit goods.

Though the coming conference will primarily concern the American and Japanese silkmen, as the languages of the conference will be English and Japanese, nevertheless all the other silk-producing countries are invited to participate. The invitation will certainly afford China an opportunity to learn something from the conference, which will assist Chinese silkmen in improving the quality of their products. Recently Chinese silkmen have had a great mind to rehabilitate China's silk industry in order to regain their lost position. To that end, now and then different groups of silkmen have visited Japan's silk-producing centers to get acquainted with the new methods of manufacturing silk. As a consequence, many modern filatures equipped with Japanese machinery have been opened up in Central China. Moreover, under the auspices of the Silk Filatures and Cocoon Merchants Guild and the guidance of the Shanghai International Testing House, a committee has been formed to work on the classification of China silk. All these indicate that there is a great awakening among the Chinese silkmen. Therefore America's invitation to participate in the coming conference is more than welcomed. In accepting this invitation, China must send over men of great experience, who can take part in discussion on various problems. Hitherto, whenever China was invited to attend any conferences, she accepted the invitation merely as a matter of formality by sending over some men who were not familiar with the subject of the conference. The delegates thus went there only answering the roll or attending any social functions.

To Develop International Standard

Though the coming conference is not intended to reach any agreement nor give expressions by resolutions to any action which would be binding upon any association or organization represented, it is understood that it aims to further their endeavor in developing an international standard. We are in the belief that it is only through a continuation of such a conference that the satisfactory solution of the problem can be worked out. When the universal standard for testing and grading raw silk is established, it will not only facilitate the trading in silk between the United States and Japan, but will also simplify China's silk market where there has not as yet been a fair basis by which China silk could be classified. Thus the coming silk conference will not confine its importance to the United States and Japan, but China will also feel its consequence.

Shanghai, April 15, 1929.

British Firm Sues Bank of China for $50,000

The British firm of Middleton & Co. has brought suit in the Provisional Court, Shanghai, against the Bank of China, claiming the sum of Mex. $50,000. The plaintiff alleges that he is the holder of bank notes issued by the Hankow Branch of the Bank of China, of the face value of $50,000. and that the Hankow Branch closed its offices and ceased to carry on business as from May 24, 1927.

The defendents are The Bank of China, Lee Foh Sung, Chairman of the Board of Directors of the Bank, and Chang Kung Jui (the managing director of the Bank). The two latter protest against being named as defendents.

Mr. Middleton avers that his attention was directed to certain notices inserted in the Chinese Press, to the affect that the defendants offered certain bonds in exchange for the bank notes of their Hankow Branch, which, so the plaintiff alleges, is tantamount to a refusal on the part of the defendants to pay cash against presentation of the notes issued by their Hankow Branch. The plaintiff's claim stated that although repeated demands have been made upon the Bank by Counsel and by the plaintiff personally, not only on behalf of himself but on behalf of certain other holders of theHankow bank notes, the defendants have failed and refused to pay cash for the notes in question. It is on these grounds that Mr. Middletion is seeking to enforce his claim to the face value of the bank notes in question which he asks should be paid in silver, against the presentation of the notes.

The defendants in their answer, while admitting that they have a branch office at Hankow, the head office being situated here in Shanghai, deny that they have any knowledge that the plaintiff is the holder of bank notes issued by their Hankow Branch office to the face value of $50,000. The Bank of China agree and admit that they did advertise in the Chinese Press to the effect that certain bonds were to be offered in exchange for the bank notes issued by the Hankow branch office of their Bank, and they also admit that the written demand made by Counsel on behalf of certain holders of the said notes have been refused by the defendants. They allege that the responsibility for cash payment against the bank notes, is on the part of the office which issued same, *i.e.* the Hankow branch office of the Bank of China, which is still existing; in other words, the defendant Bank contend that the Shanghai Provisional Court has no jurisdiction in regard to the action brought by plaintiff.

Following a long argument upon the part of the various lawyers engaged in the case as to whether this was a judicial question, or an administrative one, and also as to whether the Court had jurisdiction over the defendants, the Judge ordered both sides to file a brief on the subject, setting out fully their contentions, with authorities to back same, when the matter would be further considered. In the meantime, this important case stands adjourned sine die.

Aircraft Construction in the Chinese Navy

BY F. WONG

CONSTRUCTION of aircraft in the Chinese navy began in the spring of 1918 when the Naval Air Establishment was established at Foochow in the province of Fukien. Those put in charge of the administration of the Establishment and the design and construction of aircraft consisted of four naval constructors, namely, Captains (then Lieutenants) Y.T. Barr, T. Wong, Y.K. Tseng and Lieutenant S.F. Wong; Lieut. S.F. Wong, however, resigned in 1921. All of these officers, besides having had an early naval training at home, had extensive technical training and aeronautical experience abroad, especially in England and America.

In order to save time and initial cost on the erection of new plant and installation of new equipment suitable for the work comtemplated, a part of the Navy-owned Government Dock and Engineering Works, commonly known as Foochow Dock, was alloted to the N.A.E. for a start. This included offices and workshops with some general metal-working and woodworking machinery. General office staff, draftsmen and workmen were at first also selected and drawn from Foochow Dock but later on all the technical men and workmen were replaced by men specially trained at the N.A.E. machine shops. Special machine tools and factory buildings for the construction of aircraft were added from time to time as required. Such jobs as casting, electroplating, galvanising, etc, which did not justify costly installations of equipment on account of the comparatively small share these jobs, were, however, sent over and done by F ochow Dock

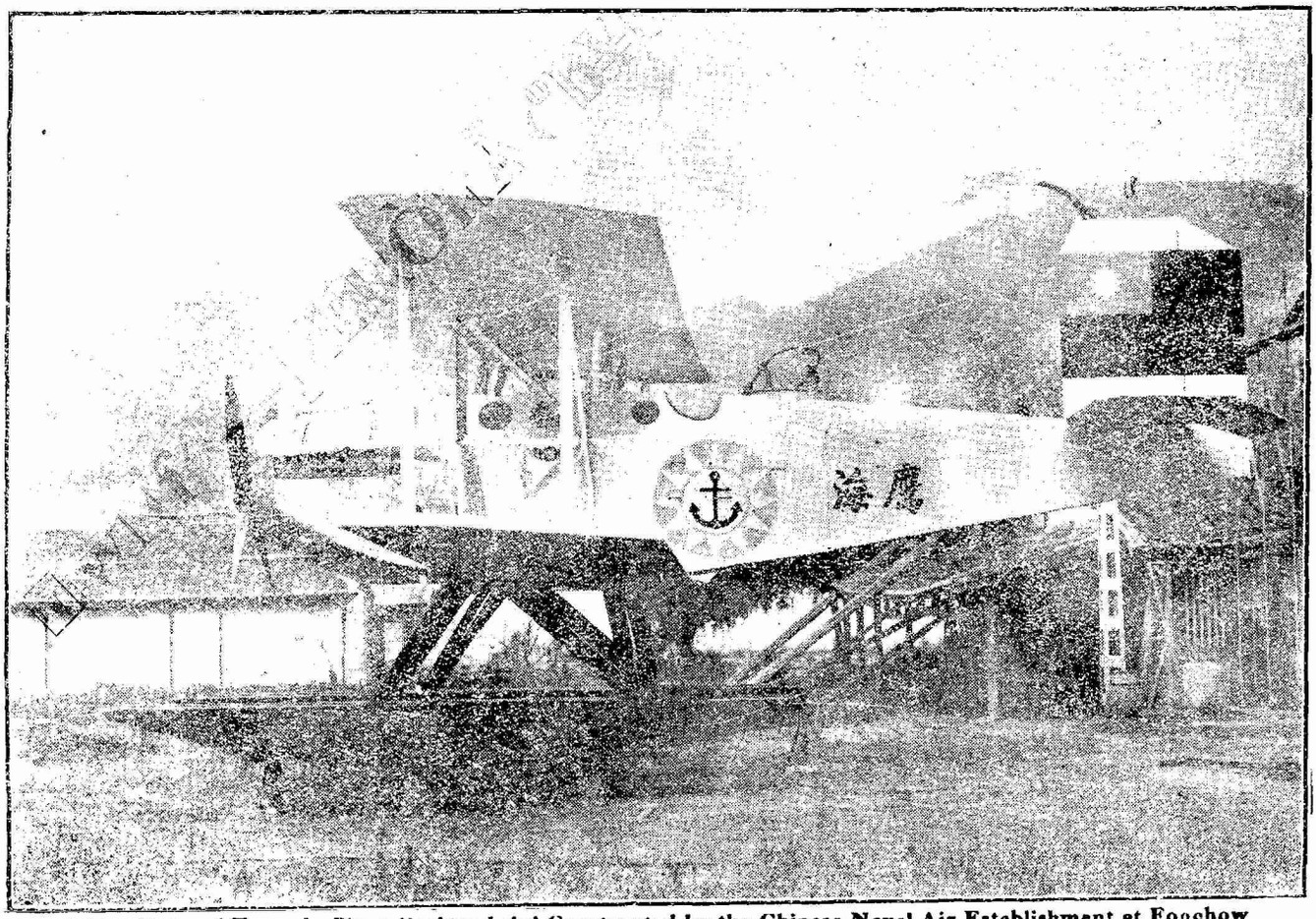
Experimental and Research Work

Up to 1917 China had little or no experience in the construction of aircraft and the engineers in the N.A.E. were therefore confronted at the outset with a dearth of scientific information on such home products as were of likely value in aeroplane construction. As it was the intention of the officers to make use of as much home products as possible, the very first thing to do before actual construction began was then to carry out tests and research work in order to discover materials which would have the same or equivalent qualities, properties and strength of those that had been found to be suitable or in common use in the aeronautical industry abroad. In doing this, the question of supply had also been kept in mind. It was desirable that the materials should be easily procurable in the local market.

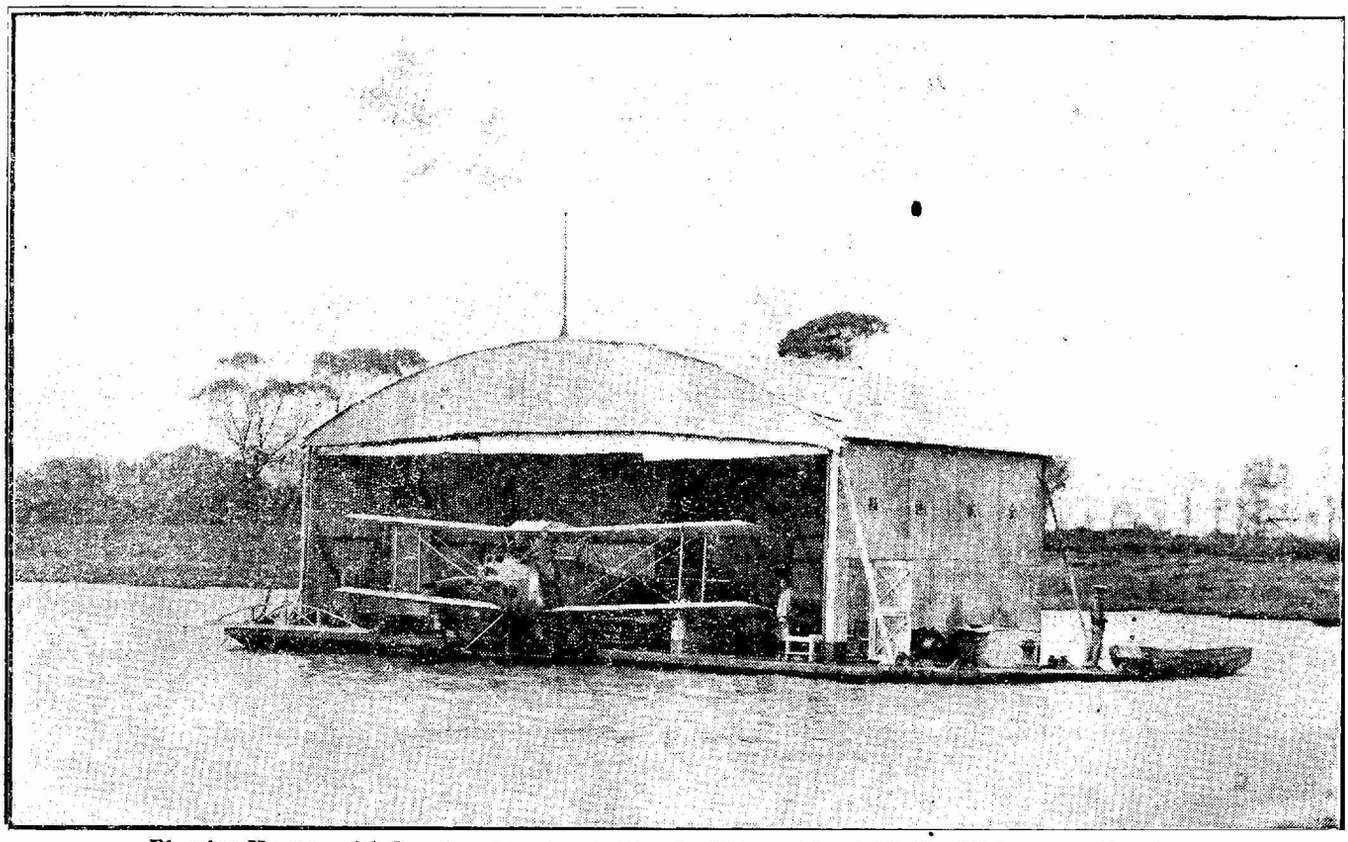
Timbers. Some ten species of Chinese soft and hard wood were tested according to the best scientific standards. Shanmu 杉木 (Cunninghamia lanceolata Hooker) which abounds in the mountain forests of Fukien was found to possess qualities about equal to those of Grade A spruce as specified by the British Engineering Standards Association. This timber has since been used exclusively in the construction of main strength members such as wing spars and longerons of fuselages, etc. Indigenous elm 木榆 (Ulmus parvifolia Jacq) has mechanical properties similar to American rock-elm and has been mainly used in the construction of seaplane floats and flying boat hulls. Camphor wood 樟木 (Cinnamomum Camphora Nees et Ebermaier), and especially its roots, on account of its toughness, fineness and natural crookedness of grain and great shearing strength has proved most valuable in the making of knees or bracing members and gusset plates in the construction of floats, hulls and Warren girder type of fuselages. This wood is a special product of South China. Baili 白梨 and Nanmu 楠木 (Machilus ichangensis Rehd et Wils.) also on account of their toughness and fineness of grain have been used on minor parts of aeroplanes.

Fabric. Of the different kinds of silk, cotton and ramie or grass cloth tested, Shangtung silk 繭綢 and Kiangse ramie cloth 夏布 were found up to the strength required. A fair quantity of these two kinds of fabric were manufactured by the mills to the specifications of the N.A.E. and used for wing and fuselage coverings. Shantung silk, however, had a tendency to lose its tautness under abnormally humid atmospheric conditions. As these conditions were rather prevalent in the late spring and early summer in Foochow the use of this fabric on those machines which chiefly operated locally was discontinued.

Dope. Climatic conditions also affected two kinds of dope which were made and used after a great deal of experimental and research work. These were later replaced by imported dopes which were known as P.D.N. 12, a pigmented nitro-cellulose dope, and V. 84, an aluminum nitro covering. Three coats of the pigmented dope and two coats of the



A Bombing and Torpedo Plane Designed and Constructed by the Chinese Naval Air Establishment at Foochow



Floating Hangar with Seaplane Constructed by the Chinese Naval Air Establishment at Foochow

aluminium dope proved very well suited to the semi-tropical climate and never gave trouble. For the benefit of the general rea ers it might be pointed out that dope is a kind of liquid stuff which is painted over the fabric coverings of wings and fuselages to keep them taut and also to protect them against the weather.

Varnish and Lacquer. For the protection of wood in internal work such as wing frames, fuselages, interiors of floats and hulls a varnish made at the N.A.E. with Tung oil as its chief ingredient has been employed with great satisfaction. It exceeded all the requirements as laid down in the B.E.S.A. specification. Specially treated varieties of Foochow lacquer which is world famous have been used successfully for protection against the weather on all external wood work, against fouling on float and hull bottoms and against corrosion on steel fittings. Apart from its engineering value, lacquer is valuable in that it can be finished in any color scheme desired and gives a brilliant and perfectly smooth surface which not only reduces air resistance but is also most pleasing to the eye. When properly treated and skillfully applied it is very light in weight and has absolutely no tendency to chip.

Aircraft

Since its establishment in 1918 the N. A. E. has produced altogether five distinct types of seaplanes and flying boats ranging from training machines to bombing and torpedo planes. Owing to financial limitations, however, only some dozen of machines were constructed. As the operations of the navy are all on the water and furthermore as there is no landing field or aerodrome available round about Foochow, no land machines were ever constructed although some designs of landplanes had been worked out.

The first type of machines designed and constructed were training seaplanes. Their chief features were low landing speed, good stability and controllability and robustness of construction. These features were of paramount importance because it was realised that an aviation student under training would frequently, through inexperience, misjudgment or otherwise, put a machine into awkward attitudes or make bad landings and if no allowances were made for the rough usage there would be large casualty lists.

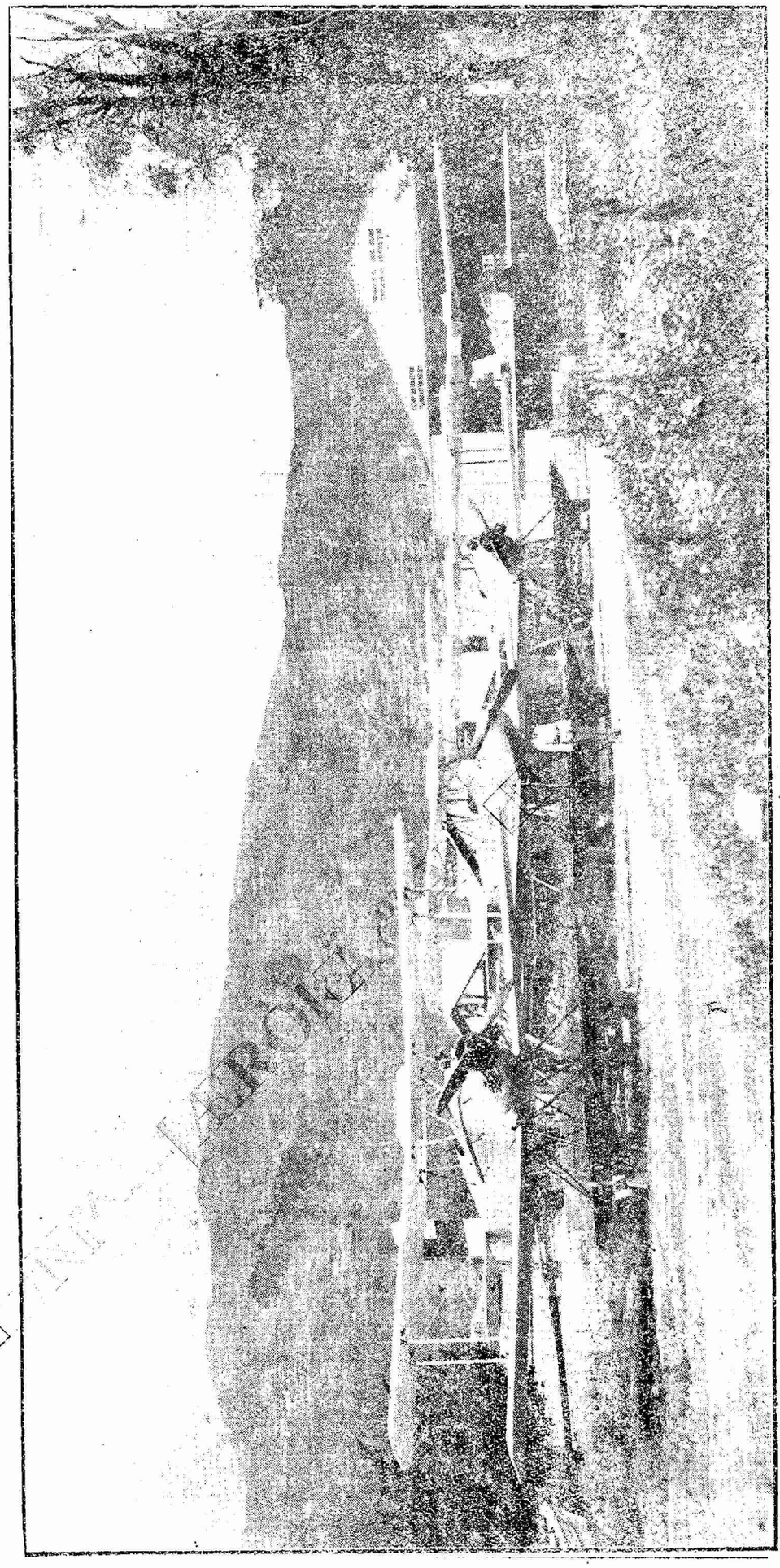
Type "Char." This was designed for primary training and the first machine of its type was completed towards the end of 1918. It was a tractor biplane with twin-float arrangement. The wings and tail surfaces were of Shanmu and silk construction and interplane bracing was by two pairs of streamline Shanmu struts on each side of the fuselage together with high tensile steel bracing cables. Two seats in tandem were provided in the fuselage which was of the orthodox wire braced construction, the longerons and struts being of Shanmu and the bracing steel wires. The floats were of streamline form and had V-bottoms. Keels and chines were of elm and frames of Shanmu. The skins of the floats were planked by two plies of narrow thin strips of Shanmu. The two plies were laid at right angles to each other, each ply being at about 45 degrees with the fore and aft axis. Between the two plies of planking there was a layer of fabric impregnated with waterproof marine glue to ensure watertightness and strength. Each float was divided into five watertight compartments and as the floats were designed with 100% reserve buoyancy, should any five compartments between the two floats or even one complete float be punctured and flooded with water, the machine would still be able to keep afloat.

This machine was powered with an 8-cylinder V-type watercooled Curtiss engine developing 100 horse power at 1400 revolutions per minute. Its high speed was 75 miles an hour and landing speed 35 miles an hour.

Type "Yee." In general construction this type was similar to type "Char" except that the wing area was made smaller and the high speed and landing speed were increased to 90 and 40 miles per hour respectively. This type was designed for use by students after they had mastered type "Char." It was fitted with a 4-cylinder vertical watercooled Hall-Scott engine, the power and speed of which were the same as the Curtiss engine. It has two side radiators, one mounted on each side of the fuselage and slightly behind and above the engine whereas in type "Char," a nose radiator was fitted. Both types "Char" and "Yee" were designed to a minimum load factor of 8 and their loaded weight was about the same, viz, 2100 lbs. Both of these types had a fuel capacity of 3 hours flying at high speed near sea-level. As at first constructed, the gasoline tank was installed under the student's seat. Feed to the engine was therefore by pressure. On later machines, the tank was mounted inside of the top centre section. Feed was hence by gravity, thereby not only weight and work were saved but, most important of all, frequent troubles incidental to the pressure system were eliminated.

Type "Beeng." This was a tractor biplane flying boat designed for bombing and fighting, but, if desired, with slight modifications it could be adapted to passenger carrying. As a bomber and fighter it carried a crew of three, a pilot and two gunners. The pilot's cockpit was situated in the hull of the boat a little distance in front of the leading edge of the bottom plane where the pilot had an unobstructed view forward, sideways and downward at his command. The first gunner's cockpit was at the extreme bow of boat while that of the second gunner was behind the main wings. Both gunners were provided with machine guns mounted on Scarf rings by means of which the guns could be swung in any

(*Continued on page 336*)



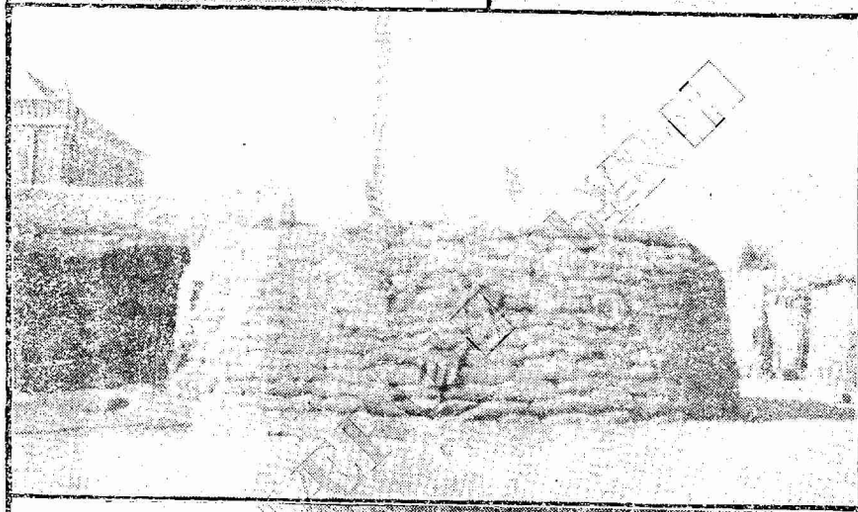
A Few of the Training Sea-planes Designed and Constructed by the Chinese Naval Air Establishment at Foochow. These machines are specially built for rough usage by inexperienced students. Besides robustness, their chief features are low landing speed, stability and controllability. These features were of paramount importance because it was realised that an aviation student under training would frequently, through inexperience, misjudgment or otherwise, put a machine into awkward attitudes or make bad landings, and if no allowances were made for the rough usage there would be large casualty lists.

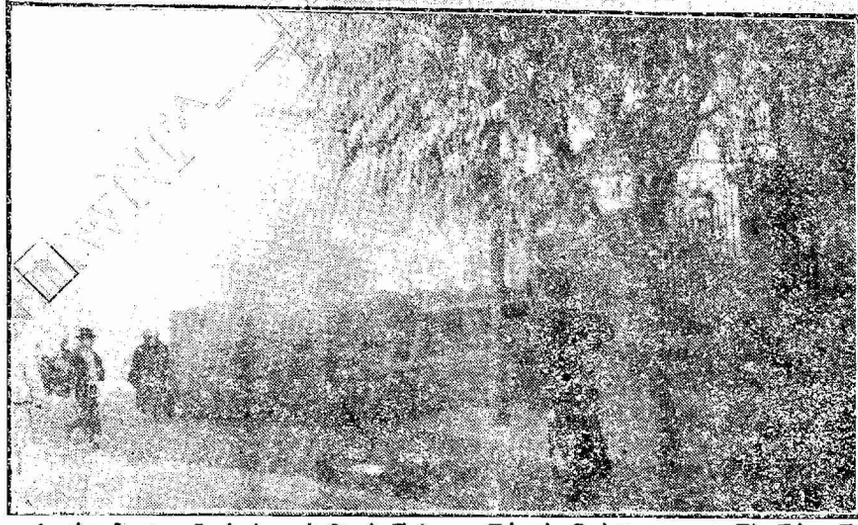
LIQUIDATING THE JAPANESE MILITARY ADVENTURE IN SHANTUNG

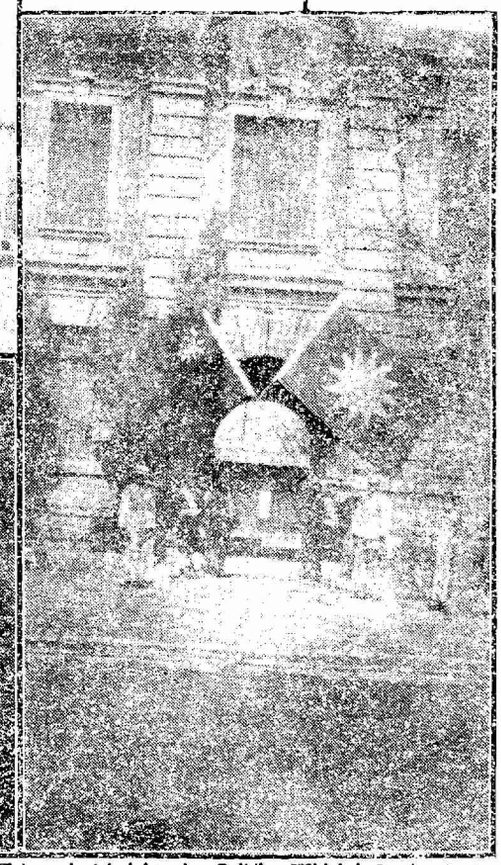
Upper Left.—General Sung Liang-cheng, Chairman of the Shantung Provisional Government, Who Will Take Over Control of Shantung on Behalf of the National Government Immediately Following the Evacuation of the Japanese Troops. General Sung Has Been an Adherent of Marshal Feng Yu-hsiang. For Many Years.

Upper Right.—Japanese Military Post Office in Tsingtao. The Japanese Have Conducted Their Own Post Office Since the Interventurion Nearly a Years Age.

Center (Left.)—A Japanese Barricade as it Appears To-day in One of Tsinan's Streets. It Covers More Than One-Half the Width of the Street.







Another Japanese Barricade as it Stands Today on Tsinan's Busiest Street, a Source of Danger to Automobiles. Tsinan Has Been a Japanese Military Post for Nearly a Year.

The Tsinan Telegraph Administration Building Which is Serving S. C. Tsui, Commissioner of Foreign Affairs as a Temporary Office. The Office in which Mr. Ts'ai Was Killed Is not to be Occupied Until the Question of Responsibility for the Tsinan Incident, Has Been Settled.

48-382

Clearing Up General Fukuda's Mess in Shantung; and After

BY J. J. HEEREN

According to a telegram from Tsinan dated April 18 the evacuation of the Tsinan area by the Japanese troops has been temporarily postponed. Dr. C. T. Wang, Minister of Foreign Affairs, stated that the National Government had requested that the evacuation be temporaily delayed in order to enable the National Government to transfer sufficient forces to Shantung province so as to cope with the forces of Gen. Chang Tsung-chang, the ex-Shantung aupan who has established himself in Chefoo. While tgreeing to the Chinese request, the Japanese have replied that the evacuation w ll be carried out before the end of June, in accordance with the agreement entered into with the National Government a few days ago.

Some ten months ago I stood one morning on Tsinan's main business street, and as far as the eye could see that thoroughfare was absolutely lifeless. Tsinan was like a city of the dead; I felt almost as though I was walking through the streets of Pompeii. Today the throngs of ricshas, barrows, carts, bicycles and pedestrians are so great that one must pick his way with care. In other words, Tsinan has come back to life. On Sunday, March 31, for the first time since the shelling last May the provincial capital was ablaze with Nationalist flags; a fitting symbol in Tsinan for Easter day.

For eleven months we have lived, and are still living, under a military occupation. The main events are recalled easily; as if they had happened but yesterday. Chang Tsung-ch'ang's retreating hordes, the going of the last Northern armored train, the "bang" which meant the destruction of the supports on the fourth pier of the Yellow River Bridge, the coming of the Nationalists, the barricades in the streets, the firing on May 3, Fukuda's ultimatum, the international train, the *rat-a-tat* of the machine guns and the boom of the artillery on May 9 and 10; and finally, the "fall" of Tsinan.

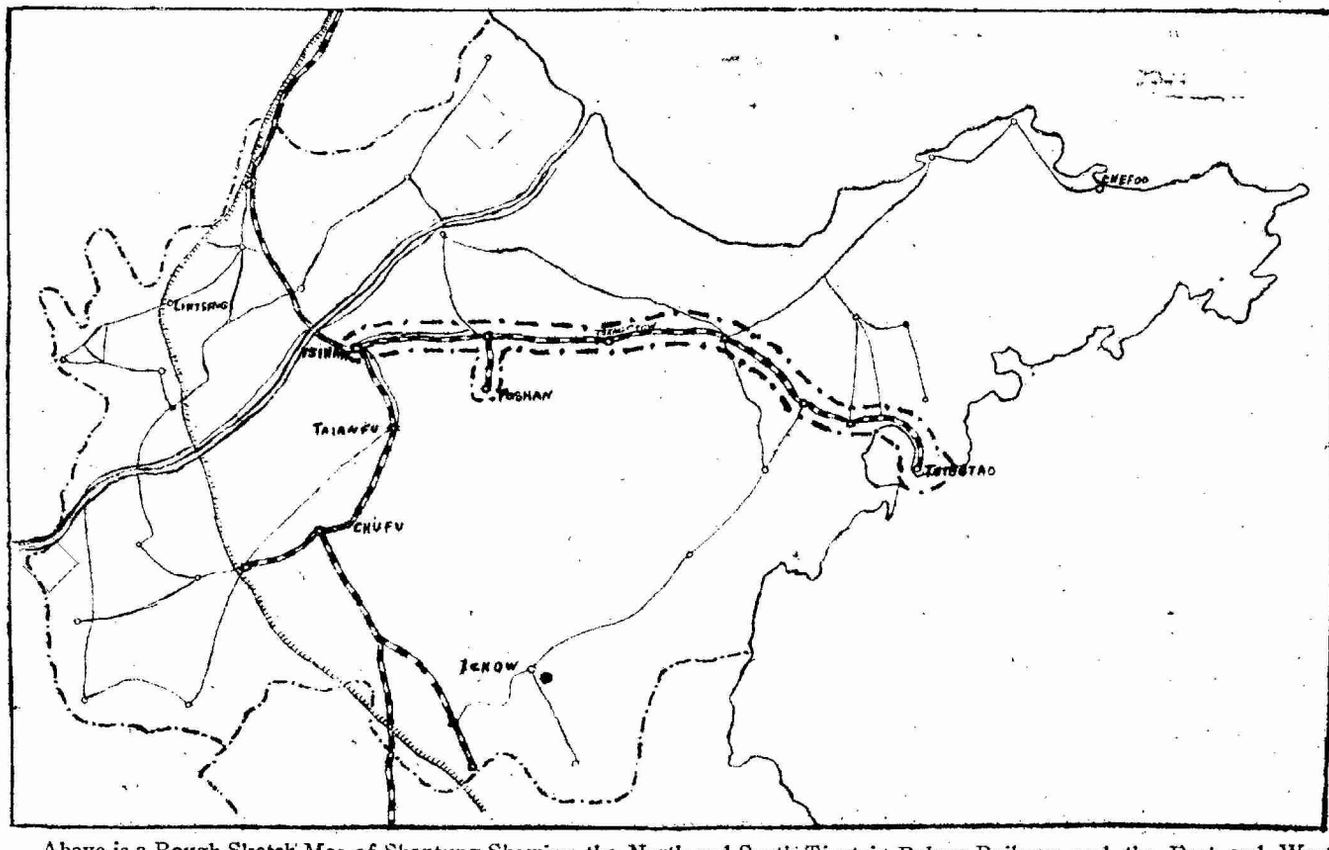
Then came months and months when Fukuda's will was law. Some thousands of Japanese soldiers were at Tsingtao, Tsinan and points along the Kiao-Tsi Railway. In addition, there was established a neutral zone of 20 *li* on each side of the Kiao-Tsi railroad. Imagine a "No man's land," or a sort of Polish Corridor, 240 miles long and almost 15 miles wide, comprising about 4,000 square miles of territory or an area as large as the states of Rhode Island and Delaware combined, occupied by foreign troops, and you have a picture of the zoen. That was bad enough; but in this "Fukuda zone" no Chinese was allowed to fly the flag of his own country; no son of Han was permitted to lecture or write on the "San Min Chu I"; no Nationalist official might perform his duty; if a Chinese citizen was in touch, or suspected of being in touch, with his own country's government, he was unceremoniously deported, as was T. C. T'ang of the Tsingtao Harbor Administration. In this whole zone no Nationalist soldier or military officer might set foot to keep order or to suppress banditry; but bandits might come and go, cross and recross the zone to plunder, rape and murder as long as they did not touch a hair of a Japanese. Although the Japanese did not allow National officials to function anywhere within the zone, they did keep the bandits out of Tsingtao and Tsinan. In fairness it must be added that after the summer of last year the invaders did not have enough soldiers in the province adequately to keep peace and order throughout the entire zone.

It should be rmemebered, however, that the Tientsin-Pukow Railway crosses the eastern end of Fukuda's zone. For month's military technicalities and endless pettifogging kept "51 locomotives, 33 passenger cars, 9 service cars and 492 goods wagons" tied up in the Tsinan repair shops and railway yards; delayed for months the temporary repairs on the Yellow River Bridge, and prevented the resumption of freight traffic until some five weeks ago and the resumption of passenger traffic until April 4. In short, General Fukuda's regime was a *military* regime.

Nationalists Prepare to Take Control

This military "mess," however, is about to be swept away The signatures attached to the Tsinan Agreement on March 28 constituted the first step in this "clean up." The Japanese troops in Tsinan are preparing to leave on April 18. Marshal Feng's troops are being sent to various points along the Kiao-Tsi Railway to take the place of the Japanese troops as they depart. About 8,000 Nationalist soldiers arrived on April 5 at Tangchiachuang, some 30 *li* southwest of Tsinan. Before the departure of the Japanese approximately 5,000 Nationalists are to enter Tsinan as police and not in military garb. It should be added, however, that Mr. T'suei Shih-chieh, the Special Commissioner of Foreign Affairs and head of the Chinese Commission, was allowed to bring in a small body-guard of Nationalists with their regular equipment.

The civil government is still in a condition somewhat nebulous. The Tsinan police are now directly responsible



Above is a Rough Sketch Map of Shantung Showing the North and South Tientsin-Pukow Railway and the East and West Tsinan-Tsingtao Railway. The Dotted Lines on Each Side of the Tsinan-Tsingtao Line Indicate the Japanese Zone Which Is Shortly to be Evacuated by the Japanese Military.

Chao Ch'i, the Efficient Director-General of Tsingtao, Who has Terminated his Regime and Departed for Dairen.

to the T'aian government; the Commercial Settlement Bureau ("Shih Cheng T'ing"), which has charge of the streets, has been functioning for some time; and the "Provisional Commission for the Maintenance of Peace and Order" ("Chih An Wei Ch'ih Hwei") is to continue its work for the time being; the local county magistrate (of Li Ch'eng Hsien) is already in Tsinan and is beginning to function cautiously. Apparently, in spite of the wishes of the Japanese, the T'aian government will not take complete control until the Japanese military forces have left "bag and baggage."

It is understood that in Tsingtao the evacuation and transfer will proceed similarly, but somewhat later. As yet (April 9) the Nationalist flag is not flying in Tsingtao, and the Chao Ch'i administration is still directing the affairs of the port. Chen Chung-fu, representing the National government, and his staff, however, have arrived and are preparing plans for taking over the adminstration of Tsingtao gradually.

Japanese Residents Not Pleased

What is the reaction of the people towards this "clean up"—the abolition of the Japanese military regime? The Chinese, of course, are delighted. For Tsinan it means an economic and a political resurrection. At first, most of the foreigners could not believe that the Japanese had really agreed to leave, although they realized that the occupation would have to end sooner or later. The Japanese residents of Tsingtao as a whole do not seem to be very pleased, on the ground that the promised safeguards are not sufficient. It seems that some of the Japanese women and children in Tsinan will be evacuated before the troops go; but it is still too early to know to what extent such an exodus will take place.

What will the provincial government do after the Japanese go? Hitherto the Nationalists in Shantung have had to mark time; and no fair-minded observer expected them to accomplish a great deal as long as Fukuda's zone was thrust rapier-like into the very heart of Shantung. However, a new day is dawning, a new day with great opportunities and heavy responsibilities. What, then, is there to be done? In a word, Shantung needs an economic and a political resuscitation: enough to tax to the limit the capacities of the wisest men.

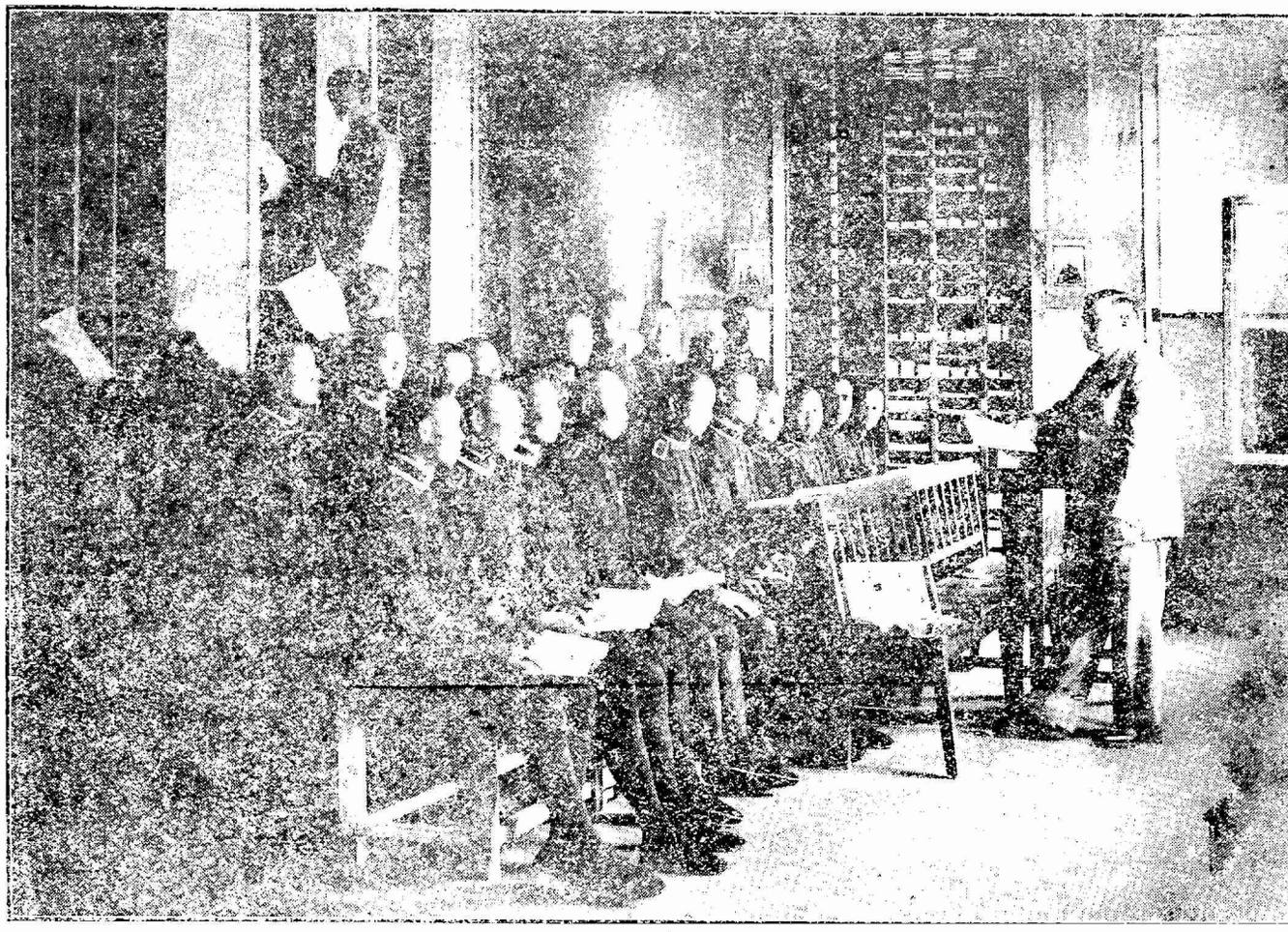
To arouse the province from its economic and political coma, one remedy is absolutely necessary; and that is PEACE. Freedom from civil war, absence of incidents that will bring back the Japanese military machine, the elimination of the bandits; these three conditions are inexorable.

The Curse of Banditry

The greatest curse of Shantung now is the bandit; from Chang Tsung-ch'ang, the ex-tupan, down to the disbanded or deserted solider who has turned brigand. The adjectives of the English language seen too insipid to describe adequately the things the people of Shantung are suffering at the hands of bandits. Hundreds of villages have been burned and looted; scores of people have been carried off and held for ransom. Two peasant relatives of the writer's cook were captured recently, and they bought their release by means of $1,200 begged and borrowed from friends and neighbors. Some of the relatives of the servants of another Tsinan household fled from their village, and are living in the basement of a missionary residence. Tsingchow and Chowtsu, within Fukuda's zone, are virtually in the control of bandit chieftains. For the banditry within the zone the Japanese are directly responsible because they are too few to suppress it themselves and they do not allow, or at least did not allow, the provincial authorities to do so. For the depredations outside of the zone the Japanese are to a certain extent responsible indirectly, because their military occupation cut the province nearly into two and paralyzed more or less all the provincial political functions. Moreoyer, it seems established that the Japanese authorities of Dairen were responsible for allowing the arch bandit, Chang Tsung-ch'ang, to get once more into the province to carry on his bandit raids.

General Sun Liang-ch'eng, the provincial chairman, however, has aleady done some very effective work in suppressing banditry in the southern and south-eastern parts of the province. The testimony of people from the Tsining area is that their part of the country is now more peaceful than it has been for years. With the Central government's victory over Hankow and with the Japanese out of the way Chang Tsung-ch'ang should not be a very serious problem. Although the bandit chieftains in Tsingchow, Chowtsun, Ch'iho, Changch'iu and other places would join Chang, if things went his way, these chieftains as well as Chang himself are fighting for self and only self, with the result that there is no real cohesive power binding them together. Moreover, Chang Tsung-ch'ang was never able to make his men really fight; he got into Chefoo through the treachery of one of General Liu's subalterns. To seal his own doom, he is employing all former ruthlessness with the result that, if the ex-bandit should ever regain control of Shantung, the Nationalists have only themselves to blame. However, with General Sun,

S. C. Tsui, Special Commissioner of Foreign Affairs for Shantung and Head of the Chinese Commission of Arrangements. He is now in Tsinan Arranging to Take Over Control from the Japanese Gradually. A Shantung Man, Speaking Japanese Fluently and with years of Experience in the Bureau of Foreign Affairs, He is Abundantly Able to Handle the Arrangements Efficiently.



Finger-print Bureau of the Tsingtao Police Department. Mr. Th. Intochowitz, the German Adviser, Is Lecturing to a Class on Finger-printing.

one of Feng Yu-hsiang's men, in control of the whole province, the bandit problem, no doubt, will find a prompt and efficient solution.

The Need of Good Roads

A second matter needing serious attention is the roads. Shantung needs good roads, and lots of them. The province's first good roads outside of the former German area were the gift of the great famine nine years ago. During that carnival of hunger and death the American Red Cross built about 400 miles of earth roads in the northern and north-western counties. During the same famine the Peking government built the Weihsien-Chefoo motor road, about 200 miles in length. New highways are multiplying rapidly. About 250 miles of the Yellow River dykes have been pressed into service as automobile roads, and as such these dykes are almost ideal. Exclusive of some 900 miles of highways in the former German leased territory, Shantung has upwards of 1,200 miles of motor roads.

Let a man buy an auto, and he wants a good road. Let him see a first class highway, and it is easy to sell him a car. Cause and effect are here inextricably interwoven. The cutting into two of the Tientsin-Pukow Railway by Fukuda's zone was in a way a blessing in disguise; it taught the people of this region as nothing had ever done before, the necessity of good roads and the immense superiority of motor driven vehicles over the squeaking wheelbarrow. After the Tsinan incident last summer the Tsinan-T'aian, the Tsinan-Kushan and the Tsinan-Yencheng motor roads at once sprang into prominence with their regular bus services. On a trip of four and a half hours from Tsinan to T'aian the writer met 14 passenger busses, besides several trucks and ordinary passenger cars. Curse as he was, and is, Chang Tsung-ch'ang did contribute something to good roads by building a few in the environs of Tsinan and by his liberal use of automobiles. During his last year as Tupan he purchased 80 Chevrolet cars and trucks, while during the year 1927 a total of 374 cars of various descriptions were sold in Shantung. The present provincial government has projected various new roads, and has already finished several. Moreover, Chairman (General) Sun has authorized the purchase of 500 cars for use on the provincial highways. The Chairman realizes that first class roads and automobiles are a great help not only in rehabilitating the province but also in suppressing banditry. In short, the auto is about to come into its own in the "sacred province."

The Famine

A third problem crying for solution is the famine. It is well to recognize at the outset that there are "natural famines" and "political famines"; the former being due to natural causes, such as lack of rain, hail, grasshoppers and other crop-destroyers; the latter being caused by bad government in the form of oppressive taxes, civil war, banditry and allied evils. Although a few restricted areas (Lincheng, Chufu and Ichowfu) had rather serious crop failures in 1928, the present famine in Shantung is essentially "political." Probably no unbiased person who did famine work in 1920-21 and in 1928-29 would hesitate to confirm that the former one was "natural" and the latter is "political." The reserves of food in many parts of Shantung are undoubtedly very low, but they have been depleted very largely by the excessive taxation of Chang Tsung-ch'ang, by merciless requisitions and confiscations of the contending armies and recently by the increasing hordes of bandits. A first class economic and political barometer in Shantung is the immigration of Shantungese to Manchuria; the worse the situation, the greater the "trek" to the North. This spring the immigration was again in full swing. At the Kiao-Tsi railway station in Tsinan some days more than 3,000 people, until recently never less than 2,000 a day, bought through tickets, for $4.92, from Tsinan to Dairen via Tsingtao. Essentially the same thing happened at all the large stations along the line with the result that every day thousands poured into Tsingtao; all hoping that Manchuria might give them both prosperity and peace.

Many Districts Deserted

To stop this ceaseless immigration, largely a symptom of "political famine", the provincial government must first of all suppress banditry. Whole districts have been deserted, because life had become too insecure and a livelihood too precarious. As soon as the government re-establishes security of life and property, many of the emigrants and refugees will return to their deserted farms and ruined homes. Another essential is a reasonable system of taxation both in the country and in the cities. The wild orgies of taxation in Shantung during recent years have sapped the province's economic vitality. As economic security and political sanity become the

order of the day, prosperity will return and the "political famine" will disappear.

To what extent the Nationalists will succeed in giving to Shantung the economic and political revival the province needs so badly, remains to be seen. So far they have been very seriously hampered by the Japanese military machine, but this handicap is about to be removed. General Sun Liang-ch'eng and his staff have brought into the province a new spirit; the spirit and vision of Marshal Feng—simplicity and hard work. Some time ago in an interview the writer was profoundly impressed with the General's democracy and Spartan simplicity. Guarded by a few soldiers he lived and worked in a room, about 30 feet long and 18 wide, on the second floor of a small Chinese building; the room contained nothing except a long, rough table covered with state papers, 3 Chinese stools and the General's own army cot. He was frank and direct in his speech; affirming vigorously what he would do and could do, and at the same time confessing frankly what under existing conditions he would be unable to achieve. One cannot possibly imagine a greater contrast than a comparison between General Sun and Chang Tsung-ch'ang, the former Tupan. As the writer took the General's photograph, he said to himself, "That is the spirit of Feng Yu-hsiang! When the Japanese are out of the way, Shantung will apparently be in safe and sane hands".

Tsinan April, 15, 1929.

NOTE BY THE EDITOR: Since the above was written news from Tsingtao is to the effect that Chao Chi, Director General of the Kiao-Ao district, has already left Tsingtao. He boarded the Japanese steamer *Tientsin Maru* on Sunday noon, April 14, and is now presumably making his home in Dairen. All the officials of his regime assembled at the wharf to see him off, Chao Chi being escorted by the head of the Peace Protectonary forces, of whom several hundred were present. Nearly every member of the Consular body and many of the foreign business community in Tsingtao were present at the farewell party. In addition to Chao Chi himself, the principal heads of his department also departed, including Chao Miao, the head of the Finance Department, and Wong Ching-tang, the Chief of Police. The National flag now flies at Tsingtao.

New Municipal Government Takes Over at Tsing tao

The Municipal Government of Tsingtao was formally taken over April 15 by Chen Chung-fu, Special Commissioner of the National Government.

Shortly after the ceremonies an official bulletin was published announcing the provisional appointment of a number of important officials to the various organs of the Municipal Government. The new appointments are as follows:

Chen Chung-fu, Provisional Mayor of the Tsingtao Municpality.

Lu Ching-fu, Chief Secretary, with Wang Yoh and Ku Sze-tsi as secretaries.

Chow We-tso, Director of the General Affairs Department.

Yu Si-tao, Director of the Finance Department.

Chen Yi-yih, Director of the Foreign Relations Department.

Wu Chang, Director of the Social Affairs Department.

Lee Tso-tsin, Director of the Civil Affairs Department.

Liang Be-chun, Director of Harbor Affairs.

Wu Foi, Acting Commissioner of the Public Safety Bureau.

Chow Mow, Commissioner of Forestry.

Yang Ngan-shih, Director of the Public Works Department.

Tang Tse-hsia, Superintendent of Customs.

Chang Tsi-tsan, Commissioner of the Public Health Department.

Ling Kung-yu, Director of the Telephone Administration.

Teng Chuan, Commissioner of Education.

Ku Nan-qua, Superintendent of the Pu Chi Hospital.

Yang Zai-chun, Deputy Commissioner of the Salt Administration.

China's Interest in Public Health

The Council of the League of Nations has expressed its satisfaction at the invitation extended by Hsueh Tu-pi, Minister of Health of the National Government of the Republic of China, to the Medical Director of the League Health Organization to become a member of an International Board of Public Health. The function of this Board will be to put its technical competence at the disposal of the Minister of Health. The new Chinese Government, as was explained in its invitation, attaches great importance to public health as an element in the great task of national reconstruction which it has undertaken.

Chinese and Japanese Come to an Agreement on Nanking Incident

At a meeting between Dr. C. T. Wang, Chinese Minister of Foreign Affairs, and Mr. Yoshizawa, Japanese Minister for China, at Shanghai April 15, an agreement was finally arrived at over the drafted treaty for the settlement of the Nanking Incident of March 24, 1927. The notes to be exchanged between the two nations will be principally the same as those signed with the United States and Great Britain and will be signed at Nanking. A special committee will be assigned to the work of investigating the actual losses sustained by Japanese interests at Nanking during the Incident, as was done with the Americans.

The Japanese are insisting on the suspension of the Anti-Japanese Boycott Movement in China as a condition for the settlement of the Nanking and Hankow cases and the revision of the Commercial Treaty. The Chinese Government authorities agreed to persuade the various Anti-Japanese organs in the country to stop their activities against Japan but it takes the attitude that it can not agree to interfere with the people's patriotism. They would, however, take steps to induce Anti-Japanese institutions to stop boycotting Japanese goods.

As regards the withdrawal of Japanese troops from Shantung, Dr. C. T. Wang, in an interview, states that since the agreement was signed between Mr. Yoshizawa and himself on March 28, all Japanese troops in Shantung will have to be withdrawn before May 28. He said it was a little difficult to clear the Kiaotung District of Shantung, after the occupation of Chefoo by Chang Tsung-chang, but the Chinese Government, he said, is fully prepared to cope with the situation. Chinese troops have already been gathered under Government orders to take over the territories formerly under Japanese occupation.

"Japan Chronicle" Says There Are Secret Provisions in Tsinan Agreement

In connection with the settlement of the Tsinan incident, the *Japan Chronicle* says that besides the documents already published there are some others which are kept secret.

The Japanese authorities deny that these secret agreements are intended as a revision of the Shantung Agreement signed at Washington, but instead that they simply embody the minutes in which the Chinese Government undertakes the fulfillment of those obligations laid down in the Shantung Agreement which have not been carried out yet. These consist of the enforcement of a special municipal system for Tsingtao, the reconstruction of Tsingtao harbour, and the Japanese right of residence along the Kiaochow-Tsinan railway.

The only other secret agreement, according to the *Chronicle*, refers to the Shantung railway. The arrangements made on this head between Mr. Yoshizawa and Dr. Wang are:—

1.—To increase the number and powers of the Japanese employed on the railway;

2.—Not to transfer the rolling stock on the railway to another line;

3.—To employ the profits accruing from the railway for the improvement of the railway and the redemption of the railway loans, principal and interest, exclusively, and not to use them either as war funds or for any other purposes.

As to the details of the railway agreement, the authorities further explain, they are to be settled by a joint Sino-Japanese committee to be appointed later.

"Vancouver Sun" Urges Cheaper Cable Rates

The *Vancouver Sun*, whose editor, F. J. Cromie, recently visited Shanghai, is conducting a campaign for establishing cheaper communication across the Pacific. Pointing out that the present cable rates from the Pacific Coast to Shanghai are 85 gold cents per word and rates to other ports are in like proportion, the *Sun* argues that trade across the Pacific is being throttled. What it aims at securing is a system which will permit of something like five cents per word. The first suggestion which is made is the construction of big government wireless stations of maximum power in China, Japan, Canada and the United States, and these would serve to link up some 700,000,000 people at a cost of about five cents a word.

◉可怕的腦膜炎

人們怕腦膜炎，

腦膜炎有什麼可怕？

人壽保險是抵制腦膜炎的利器，

故腦膜炎怕人壽保險。

（註釋）投保壽險，必須經醫生檢驗身體，人們身體上平時所忽視或不健全的地方——即各種病害侵入的罅隙——經醫生的指導，而加以防衛，故雖可怕如腦膜炎，但對於已保壽險的人們，却也無所施其技了。

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The Problem of China's Unification

BY HARRY PAXTON HOWARD

I believe it was Napoleon who remarked that it was possible to do anything with bayonets except sit on them. An empire can be conquered by force of arms, but it cannot rest upon them. There must be established a certain loyalty, or at the least a general tolerance of the government among the people.

How such a feeling can be developed is the essential problem of a government which has established itself by force of arms, whether through conquest or revolution. It is the solution of this problem which determines the stability of the new state. It has been solved in various ways at different periods and in different parts of the world, but it has always had to be dealt with.

It was the French revolution, we know, that made possible the Napoleonic empire. The French peasants, freed from the fetters of feudalism and feeling themselves the masters of their own soil, fed and clothed and gave their sons to the armies of the Revolution which overwhelmed the monarchies of Europe and carried the slogans of liberty, equality, fraternity throughout the Continent. Napoleon, being statesman as well as military leader, saw clearly that his one way was the confirmation of the agrarian revolution in France.

Two thousand years before Napoleon, however, fundamental agrarian reform amounting to agrarian revolution made possible the founding of the Chinese Empire by Chih Huang Ti. As in France so in China, the land was taken from its feudal possessors and given to the cultivators. As in France so in China, the peasantry feeling themselves the masters of their own soil increased production to the extent that made possible the tremendous enterprisee of the First Emperor. The Great Wall stands today as a monument to this agrarian revolution.

And in France as in China, the ruler misused the tremendous possibilities this new development, bled the people white for his overwhelming ambitions, and in a decade or two his empire had crumbled into a legend, heroic or terrible according to the point of view.

The Position in China

The problem of the Chinese Revolution is that of the liberation of the Chinese people from imperialist and militarist domination. The tremendous possibilities inherent in the economic liberation of the people are to be devoted to the development of the people themselves. The guiding principles of the great forward movements which have moved the world in recent generations find their expression in China in the slogans of national liberty, racial and political equality, and the people's livelihood. In the minds of the great leaders of the Chinese Revolution, particularly in that of its intellectual guide Dr. Sun Yat-sen, there was no intention to utilize the Chinese people as tools for a new militarist imperialism.

The circumstances of the Chinese Revolution, however resulted in the creation of great armies and powerful military leaders. And so, with the liberation of the people hardly well under way, the Revolution is faced with the problem of dealing with the Frankensteins it has created. It finds itself dependent upon the armies and the personal loyalty of this or that military chieftain. It finds itself faced with the grave difficulty, ever of greater and greater importance, of substituting for military government—burdensome, unreliable, and frequently provocative to the people—a government resting upon the consent of the governed, and for this new policies are necessary—economic, social, political, educational. Most governments in the world today rest upon revolution, have been created by revolutions. But their stability depends upon the extent to which they have satisfied the popular will with regard to civil policy. Bayonets were not made to be sat upon.

The Militarists

It is extraordinary and—from a certain viewpoint extremely disheartening—to note the naive faith with which many people look to one military leader or another to disregard his personal interests and lead a movement which will make possible his own elimination. Certain high-minded individuals may act in this way at times. To expect a whole class to do so under present circumstances is rather Utopian.

The problem must be faced frankly, sooner or later. It is simply not to the interests of a local chieftain, capable of ruling a territory larger than most European states today, to subordinate himself to some central political power. Why should he? In his own territory he can be supreme, particularly if he fortifies himself by a fairly intelligent civil policy and perhaps—where necessary—alliances with others. He is the state, and its resources and revenues are his resource and revenues. Why should he divide his power and his revenues with outside parties?

There are always soldiers in abundance. Every hungry man is a potential soldier, and there are plenty of hungry men in China. If, indeed, there were some central power which could command, by its devotion to the interests of the people, their devoted loyalty to it, the situation would be different. But as things are at present, a hungry man might just as well join one army as another,—if they give him enough to eat. Why shouldn't he?

It must be understood clearly that any peace based upon the good-will of rival militarists can be no more than an armistice,—a preparation for bigger and better wars. As for some puissant individual bringing all China under his control, the territory seems too large for such a conquest. Previous conquests are no analogy, for there was never a Chinese conqueror—native or foreign—who had to deal with five hundred millions of people in this territory. No conqueror has had to deal with more than one-fourth of the present number of people in China. And there are greater and more complex forces of divergence and division than ever before in the country.

If the hegemony of any individual or group is firmly established over China as a whole, it will be only by attracting to themselves all the forces which make for unity. If the central government fails to do this, perhaps some astute local chieftain will succeed.

The Forces of Unity

Perhaps it would be better to speak of elements which may work for unity, rather than of "forces". Most of these elements have not been transformed into powerful dynamic influences making for unity, though they are capable of such transformation. In any case, real unification must rest upon the elements which are favorable to it. It cannot rest upon elements whose whole interests and development run contrary to it,—such as the militarists.

The mass of the people should be for national unity. They appear to have no interest in these internal conflicts. The armies are expensive and a heavy burden upon the people, war usually involves pillage and considerable distruction. But on the other hand the armies are a place where hungry men can eat. The best analogy to militarism is that of the monkey who accidentally cut off the tip of his tail and seized the injured member in his mouth. He was delighted to discover the rich sweet soup which oozed from it, and sat drinking it with the greatest enjoyment.

The sums spent upon military forces might be far better employed in flood control, reclamation, education, economic development, road-building, and the many and urgent necessities which face China at the present day. It is to the interest of the mass of the people that the revenues taken from them be applied to purposes of benefit to them. War is an evil and a scourge. The people of China have no reason to fight one another,—province against province and militarist against militarist. Their basic and fundamental interests are for peace. And their instincts and traditions are for peace also. A peace policy based upon the common people and their interests has a sound basis to build upon. One based upon the ephemeral loyalty of military chieftains or military groups is as a house built upon the sands.

The Business Elements

The productive elements of the country have everything to gain from permanent peace. Among these elements, however, a proper balance must be struck. Obviously a popular policy cannot be based upon some small section of the community whose interests may conflict in practice with larger sections.

Because of their importance in the cities and along the lines of communication, the commercial and industrial elements have had attention given their interests, particularly in the districts under the Nanking government. The interests of these people, indeed, should be for peace. They have all to lose and little to gain by military rule.

But unity based upon the business elements is insufficient. Taking the country as a whole, they are too small an element to furnish a basis for a stable order. Even in the places where they dominate, their unenlightened selfishness and lack of any sense of economic or social responsibility has brought them into conflict with the masses of the people, whether as workers or as consumers. That their interests are ultimately the same as those of other civil elements is true. That they have any conception of this is not at all clear. Their main activities have been for tariffs which will enable them to charge higher

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prices to consumers, and for anti-labor measures which will unable them to keep wages down. That they are making any real attempt to increase their own efficiency, so as to justify the special attention which they expect by making themselves of increasing service to the community as a whole, is very questionable to say the least.

Permanent peace cannot rest upon the basis of a specially privileged class being given *carte blanche* for the unlimited exploitation of the people and special protection in this activity. A policy must be worked out which will protect the legitimate interests of commercial men, bankers, and industrialists, but not at the expense of the rest of the community. Unlimited capitalist domination is as dangerous a menace as exists to a free people, and every foreign state in the world today recognizes this and takes measures against it.

The Peasantry

The peasantry are the backbone of the Chinese people. The cultivators of the soil are the greatest productive element of the country. And it is they who are the worst sufferers from war when it invades their districts. The have everything to gain from peace,—if it is a peace based upon enlightened policy and not merely upon bayonets.

A policy devoted to the interests of the peasantry is not mere altruism. Every thought of altruism may be cast to the winds (as it already appears to have been by many leaders, unfortunately), and the stubborn and undeniable fact remains that a policy in the interests of the cultivators is the soundest and most intelligent policy that can be pursued. That free labor is far more productive than involuntary is a clearly established economic fact. A class of cultivators feeling themselves the masters of their own soil and free to enjoy the fruits of their labor is a sound basis for political and social stability. A class driven to desperation by rent, taxes and usury is a basis for an impoverished economy and perpetual discontent.

A peasant policy is not a simple thing to be worked out particularly in the widely varying conditions throughout China But if the essential aim is clarified the details become less complex. This aim must be one devoted to the welfare of the actual cultivators of the soil. Whether owners, tenants or farm laborers, they must be dealt with as cultivators,—if they are. The cultivator feeds everyone else, whatever may be the form of land tenure.

It is probably fair to state that most farmers of China would be quite satisfied to be let alone. If the question was put to them as to what the government could do for them, the first thought of most of them would probably be (though perhaps it would remain unspoken), "Ah, please get off our backs!"

Taking Things Into Their Own Hands

New whether or not we regard the anarchism of this viewpoint as socially desirable, the fact remains that it represents a wholly justifiable attitude. If a government collects revenues from its people it must return them some tangible benefits in exchange. If it is unable to do so it has no social or ethical justification whatsoever for appropriating such funds.

In some localities the peasants have taken things into their own hands, and by the organization of such bodies as the "Red Spears," "Big Swords," etc., or simply by the forming of local militia without specific names or affiliations, have realized the essential internal aims of the Chinese revolution,—the elimination of militarism and real political control by civilian elements on a more or less democratic basis. It is seldom, however, that these bodies gain the organization over a wide area which will enable them to be independent of the larger military bodies. They may be able to defend themselves against the smaller gangs of bandits, however.

Such self-governing bodies, so far as they are representative of the peasantry of their locality, would appear to be a basis for wider political organization, and deserving of the full support, co-operation, and encouragement of any regime devoted to the development of civil government on a popular basis. The repeated conflicts with these popular bodies by military forces of the government show, however, a very different attitude on the part of the authorities involved.

To give a detailed plan of co-operation between the national government and these local self-governing bodies is no part of the purpose of the present article. But the real significance of these bodies is to be noted. They are popular bodies formed for protection by civil elements. They represent the common interests of the majority of their communities,—the real unification of their village or district in civilian hands. They are prototypes (perhaps crude ones) of the basic aims of the Chinese Revolution,—unification of the people on a foundation of popular control and a policy based upon the common interests of the populace—and its defence against predatory outside forces.

More Complex Questions

If these bodies existed throughout the country as they do in some parts (mainly in the north), the problem of unification would be much simplified. Such, however, is not the case. Furthermore, many parts of China present far more difficult and complex problems than do the communities where these bodies are in control.

These communities are generally in districts where the owner-farmer is the predominant element. In the south, however, there is an extent of tenantry which creates a bitter conflict of interest between different rural classes,—particularly between landlord and tenant. In the cities the problem is still more complicated by the rival interests of industrial employers and wage-earners, as well as the ever-present armies of unemployed, and beggars and thieves high and low,—in addition to the matter of contacts with foreign employers and officials and the universal conflict between landlords and tenants.

It is impossible to deal with these problems in a necessarily limited article. Furthermore, they have been dealt with years ago in Kuomintang programs,—which still remain for the most part nothing more than programs. The point is that real national unity can only be achieved and maintained on a basis of popular loyalty, and this loyalty can only be gained by policies which will have real and tangible value to the masses of the Chinese people, and will show a government in full sympathy with the aims and aspirations of the productive elements of the country.

An Agrarian Policy

If the agrarian element be taken as basic, a policy may be founded upon their fundamental necessities. The primary need is freedom from pillage,—this making them a basic factor for peace. Beyond this, there is required a policy which will free cultivation from taxation. Taxes should rest upon non-productive ownership rather than upon productive cultivation. The ratio should be according to the value of land, not according to the value of its product. The proposed new land law is the most important move yet made by the Nanking Government with regard to internal policy,—but it is still only a proposal.

As regards rent, the tenant farmers in some districts—even here in Kiangsu—have solved the problem themselves by simply refusing to pay it and terrorizing the collectors into keeping away from their villages. In some places the government has not interfered. The Nanking Government has far more important things to do than protect the property of absentee landlords against the cultivators who feed the nation. Nevertheless, there are not many districts where the tenants have so taken affairs into their own hands. From the governmental viewpoint, a practicable policy would be to take up the rental value of land from the landlord and apply it to public uses. The proposed land law appears to aim at this.

With the elimination of crushing rents and taxes on cultivators, comes the possibility of a positive program. Such a program has already been projected by the Kuomintang, but its realization still belongs for the most part to the future. The most essential features would appear to be (1) cheap credit, best of all in the form of co-operative credit unions; (a start on this has already been made.) (2) cheaper goods, which necessitates the elimination of the various business and transit taxes which weigh so heavily upon commerce here, and could be furthermore assured by the formation of co-operative consumers' societies; (3) better prices for products, which could best be gained by co-operative marketing; (4) improved communications, which will make exchange easier and facilitate the production of a surplus (but only if the cultivator can see himself receiving the benefit of this surplus); (5) better seeds, new crops, other technical improvements.

The above remarks are applicable to most of the country. Some districts, however, are faced by even more urgent needs,—flood control and irrigation. At the same time, it must be remembered that the ultimate cause of famine is the lack of any margin in normal years. Most of the victims of famine in Shantung today have been sucked dry and rendered destitute by merciless taxation year after year. If improved conditions permit the cultivators to accumulate a surplus in good years, and some check is put on the steady growth of population (of which more anon), the basic causes of famine will be removed, though floods will still remain a danger until some of the rivers (particularly the Huang and the Hwei) are brought under control, and droughts will be a nuisance until communications and industrial and commercial development make it possible for the population of affected districts to turn to other occupations in bad years.

The Industrial Districts

Industrial labor in China makes up a very small proportion of the country as a whole. Owing to its location in the big centers of population, however, and its importance

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in the carrying on of the commerce and communications of the country, it has what may be termed a strategic position far superior to that, for example, of the chattel slaves of the country, who are probably much more numerous than the industrial wage-earners but whose work is apart from economic production.

Furthermore, there is more education and understanding of things among the city wage-earners than among their country cousins. Organized in large groups by the process of industrial development itself, they were important enough to be of real significance in the national revolution in China, and even to seize power for a time (under militant Communist leadership) in such centers as Shanghai, Canton, and Swatow. They cannot be ignored. The government has the choice of cowing them into a sullen submission by terrorism or winning their loyalty by a sympathetic and intelligent labor policy.

Certain submerged classes of labor require protection by specific labor legislation. Tentative projects have been made in this direction, but nothing achieved as yet. Other elements are capable of taking care of their own interests, if they are permitted the same freedom of organization as their employers possess,—and as workers possess in other countries. Precautions may be necessary against subversive elements using labor unions for political purposes, but it must be remembered that such elements have far more opportunity to operate if organization is secret than if it is permitted to be open. And when strong trade and industrial unions exist there is a basis for collective bargaining,—the only sound foundation for industrial and social peace. The legalization of trade unions and the creation of machinery for collective bargaining between workers and employers is a most urgent necessity, if the loyalty of this important element of the people is to be gained.

It must be remembered that in industry as in agriculture, production can be raised to a far higher level by men feeling themselves free workers for themselves than by hunger-ridden serfs. Experience in America with higher wages and better industrial conditions have proved this beyond any doubt. China's industrialists are probably the least efficient in the world—and yet they demand special protection from the government against higher wages. From a social and economic viewpoint, probably the most important thing for China would be that pressure for higher wages by organized labor would force employers to strive at a steady increase in their efficiency. To protect employers against wage demands is to subsidize inefficiency. What industrialists have, however, a full right to expect, is some technical assistance in the development of efficiency,—instruction by technical experts. Something of this kind has already been done, but it will be of little effect until the backward, conservative, and inefficient industrialists of China are forced out of their old habits by the necessity of meeting wage increases.

Besides this, and protection of certain classes of labor by special legislation, reforms are possible along lines already laid down by other countries: municipal lodging houses; workers' homes; free employment bureaus; free clinics and medical treatment; the encouragement of consumers' co-operation. The last two items are of interest not only to the workers, but to the community as a whole.

Taxation in Cities

Business men, indeed, whether industrialists or merchants, have some legitimate grievances. One of them is the incidence of taxation, which should be taken off of industry and commerce altogether if these are expected to develop. Intelligent and efficient business men, indeed, have nothing to fear from the establishment of higher wage rates, which would simply equalize competition between themselves and the less efficient, and crowd out some of the latter. But business taxes, taxes on certain products, transit duties, etc., are an unmitigated evil. They check and hamper business, and though they are made up by simply adding on to the price to the consumer (plus the usual margin on the additional capital involved), the increased prices decrease the total sales and limit production and trade by so much.

But still more striking is the fact that while the business man must deal with taxes of this kind, the landlord from whom he rents or buys the land he needs pays nothing whatever, as a usual thing. The landlord may be absolutely idle, may actually keep his land out of use for as long as he desires, and will pay no taxes whatever on this valuable property, the value of which is dependent upon the number of persons who have settled around and built up a great economic and social center. But if some productive use is made of the property, the tax-collector is on the job at once to penalize the entrepreneur who has brought it into use, and who must pay both the landlord and the tax-collector, in addition to the taxes established on his business and the goods it sells. Dr. Sun recognized many years ago the serious evil of this situation, and proposed the appropriation of the unearned increment in land values by taxation. This still remains as the soundest proposal for the solution of this problem,—and it still remains a proposal.*

The General Public

The thing which affects the general public, aside from the particular elements already dealt with, is high prices. Rent is high, taxes are high, prices are high. The proposed land-tax would of course considerably improve matters. Taxes would be shifted to the landowners. The necessity of paying taxes would oblige them to make the best possible use of their land, and increased building would bring down rent. The freeing of industry and trade from obnoxious taxation would bring prices down at once,—and bring them down further as development continued and production increased.

The question arises, of course,—what is the general public? About the only definition which will hold water would appear to be,—the people who think of themselves as the public. This includes, of course, small business men and clerks, many workers and farmers, teachers and petty officials. Economically, they can perhaps best be defined as consumers,

As consumers, beyond the improvements possible through such tax reform as has been mentioned, co-operative consumers' societies are of greatest importance to them. These bodies, which have reached such enormous development in Europe, are of particular significance for China in her present stage. Some work is already being done in this direction. This is not only a basis for the temporary economic improvement of those participating, but a possible and practicable basis for a national economy utilizing the most modern technical developments for the benefit of the Chinese people as a whole. The development of a co-operative economy may fairly be termed the period of economic tutelage.

And beyond this, fundamentally perhaps the most important of all, there is the matter of limitation of population. This has been left to the last because it is not a question to the fore in the minds of the people as a whole. Individually, many recognize the serious nature of the problem to themselves, though they do not envisage it in a social way. The methods which have been utilized heretofore are sufficiently widespread to make it clear that there is a real demand for modern instruction in this line. The earlier methods, which are still most prevalent, are those of infanticide (usually girl babies) and abortion. The first method is brutal and degrading, the second is physically dangerous. In city and country alike there is a necessity for knowledge of new methods. By the establishment of birth control clinics and instruction in modern methods of contraception the government could do far more than by any other single policy to earn the loyalty and gratitude of the people, and at the same time lay the basis for a healthier and better race. The traditions of China's "scholars" are often against it, but the traditions of China's impoverished peasants recognize it as an absolute necessity.

The Unification of China

In finding a policy which will attract all the socially and economically important elements of the country to the support of the government, China will be laying a foundation for lasting peace within and respect without. A united China cannot be denied her sovereign rights by imperialist powers. A Chinese government devoted to the interests of its people will command the friendship and co-operation of the elements which are steadily growing to dominance in Europe today.

Such a social policy is the basis for loyalty. The structure must be completed by education. But education is useless which does not correspond to conditions. You cannot take half a man's wages from him and then lecture him upon the virtues of co-operation with you. But when daily experience convinces the people that there is a regime working in their behalf there will be no mistake about their loyal support. And for a local adventurer to raise an army to start a civil war will be an impossibility.

This will be a unification of all the productive elements of the country on a basis of common interests and a common aim. This will be the unification of China.

Shanghai, April 8, 1929.

*See The Proposed National Land-Tax Law, by the same author, in the China Weekly Review of January 12, for a further discussion of this.—Ed.

China Now Has a Ministry of the Navy

The National Government issued a Mandate at Nanking April 12 creating a Ministry of the Navy, as an insitution separate from the Ministry of War. According to the order issued, the Department of the Navy in the Ministry of War is abolished and regulations governing the new Ministry are to be formulated by the National Defence Conference. The State Council has appointed Admiral Yang Shu-chuang Minister of the Navy. Pending the arrival of Admiral Yang, Admiral Chen Shao-kuang, chief of the Board of Administration of the Ministry, is to act in is his place.

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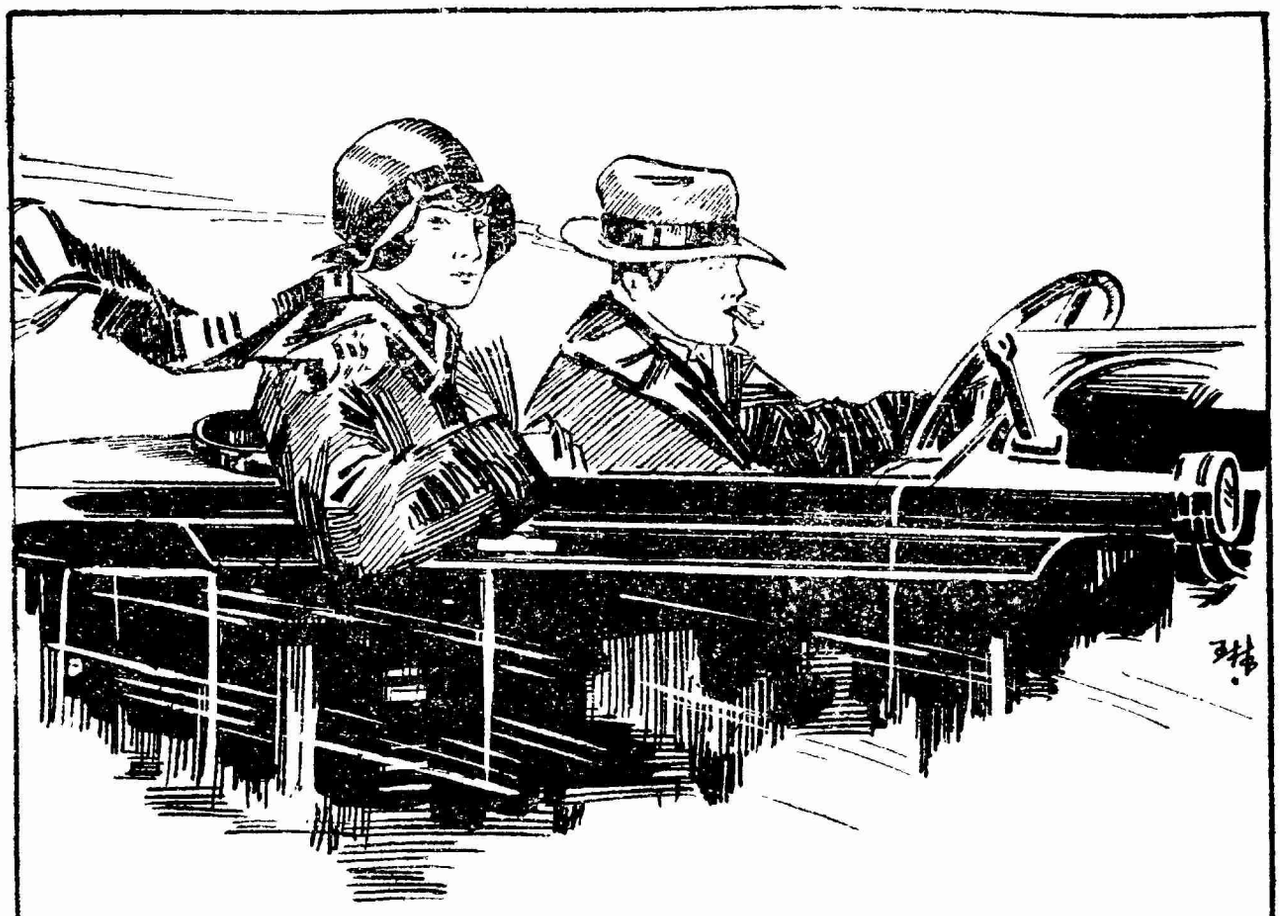

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China and Japan To-day

BY C. Y. W. MENG 孟長泳

IT IS indeed unfortunate for the Far East that China and Japan do not seem to be able to get along peacefully. Should they be in concord, it would not only be a blessing to the Far East but it would also contribute to the peace of the world.

After the notorious Twenty-one Demands which were presented to China in 1915, came the Japanese attempt to "rob" Shantung from China. After that came the Tsinan Incident. After that certainly will come the "Manchurian Problem" which is probably the hardest problem of all to solve between China and Japan, because of the latters claim for "special interests" in that Chinese territory. In other words, the disputes between China and Japan are endless, for Japan's invasion of China never ceases!

Chinese Mistakes

It seems to some Chinese that Japan is still an Island Empire incapable of doing much harm to China. The writers and observers constantly refer to Japan as a small island empire, and the Japanese people as "short people". But after a moment's meditation, the Chinese will realize the contrary. For a small empire to become one of the strongest powers in the world within about half a century, is matter for thought for the Chinese, and it is really a great lesson for the Chinese to study. Although we hate the Japanese because of their unfriendly and aggressive actions towards China, on the other hand, we cannot but admire the Japanese because of their wonderful internal development. It is now up to the Chinese while continuing their fight against Japanese imperialism to study the history of Japan.

The Chinese must know that Japan is really the "dangerous neighbor" of China and the Chinese must not look down upon the Japanese. By their victory of 1895 the occupants of the small islands which appeared very nicely located as a coaling station for some foreign sea power showed to the world that Japan was seeking equality. The acquisition of Formosa and the Pescadore Islands was only the first of Japan's many gains and acquisitions. By her victory of 1905 the island empire changed from despicable insignificance to world ascendency. By her declaration of war against Germany, Japan eliminated her last enemy in the Far East. By virtue of the Peace Treaty she took possession of three islands along the equator which belonged to Germany before the War. Japan has now an area of 43,700 square miles, and the Japanese population increases by 800,000 per year. The present population of Japan is about 83,400,000, which is bigger than that of Germany and is twice that of France!

Colonization of China, a Necessity for Japan!

What kind of situation is Japan in? We find, her population growing much faster than the production of food in Japan can supply. Japan depends for part of her food supply on outside sources, and the same is true with coal and iron. Under such circumstances, Japan could not but carry out her policy of colonization. But where could she colonize? She wanted to go to America, but the Immigration Law of 1924 barred her way. She wanted to go to Africa, but it was too late, for there is no space for her. She wanted to go to the north of Korea, but the weather there is not good enough for colonization. The Chinese Eastern Provinces which have an area as great as Germany and France taken together, but which have only a population of about 30,000,000 and besides are rich in mineral and natural resources, are the place where the Japanese have long been looking as the "only place" for colonization. So, since her victory over Russia, Japan has been devoting full strength and efforts to develop Manchuria. From these they expected to go to Inner Mongolia in the west and to go down to Shantung in the south. So, it is safe to say that "all Japanese," no matter to what party they belong, aim at the colonization of the Three Eastern Provinces—the only difference being in methods used and degree of action. It is equally safe to say that should China not resort to some "more drastic actions" to readjust her relationships and rearrange her boundary line with Japan, the Japanese economic exploitation and territorial invasion of China will "never" cease, the reason being that the Japanese are under necessity to push their way further and further, for without more territories, they could not accommodate their people and find a sufficient food supply. Whether the Chinese will be able to stop the Japanese advance, or to put it in other terms, whether the Chinese will be able to challenge Japan within ten years for a life-and-death struggle is a vital problem for every Chinese to answer!

The settlement of the disputes between Japanese and the Chinese does not lie in the settlement of the Tsinan, Hankow, Nanking incidents, nor in the Revision of Treaties, but it is really a "racial struggle"—a struggle which goes on culturally commercially, economically, politically and militarily. Should the Chinese have the ability to fight, the Chinese race would survive; if not, the Chinese race would soon be extinguished. Should the Chinese be able to win the struggle, China would get rid of her "dangerous neighbor" and would become one of the strongest powers in the world,

Seriousness of Situation

The Japanese Government is about to send two big battalions (1700 men) to the Three Eastern Provinces, and all the troops now stationed there are being transferred to stations in Northern Manchuria. A new appropriation of $4,500,000 for the maintenance of the military forces in Manchuria is now under the consideration of the Diet. It is further reported that the Japanese Government is to increase the police guards for the Southern Manchurian Railway to about 1600 men.

In Yuan Chi (延吉), Hui Chung (琿春), Ho Lung (和龍) Huang Ching (汪清), four hsiens lying just on the boundary between Korea and Kirin, there are about 370,000 Japanese and Koreans, whereas the Chinese number only about 320,000. As to the farming business, it is entirely in the hand of the Japanese and Koreans. These four hsiens, though they are in name Chinese territories, are in fact Japanese colonies!

There are numerous reports which all tend to prove that the Japanese policy of colonization of the Chinese territories is being vigorously carried out.

Effectiveness of the Boycott

The Chinese realize this, and they resort to a boycott of Japanese goods in China as a means of waking up the Japanese to the realization that it is not advisable for them to treat the Chinese as their "prey." It is foolish for the Japanese to deny the ineffectivenss of the Chinese boycott as statistics show that it has been very effective.

One of the effects of the boycott is that there are practically no more Japanese umbrellas in the Chinese market, while Japanese piece goods dropped down by 80 per cent. At the same time Chinese manufacturers have been inspired to open cotton mills themselves.

The following measures for coping with the Japanese are suggested:

Chinese Should Take Measures

1.—The study of Chinese diplomatic history should be made compulsory in all schools for the Chinese. At present, the Chinese talk and hear very often about the cancellation of the unequal treaties, the abrogation of extraterritoriality, and taking of the leased territories, etc. but not many Chinese know the history of the unequal treaties, etc. The detailed stories of the national humiliations ought to be impressed on the minds of the Chinese while they are young.

2.—The study of the Japanese language ought to be made another compulsory study in all schools for the Chinese, for without studying the Japanese language, one can not know everything Japanese.

3.—Societies for doing research work into the Japanese civilization, arts, culture, customs, and the Japanese history and its development, should be formed in all universities, and the student should be compelled to join in the discussion. Frequent lectures on the Japanese should be given. The Japanese are studying the Chinese language, etc. very diligently. In every university in Japan, there is a course in "Sinology". Even in Japanese schools in China there are also such courses. Tung Wen College in Shanghai (a Japanese institution), publishes many books on the Chinese language, etc., every year, which serve as good materials and references for the home Japanese imperialists to formulate their aggressive policies towards China. A deep study of the Japanese should be a task for all patriotic Chinese!

4. Societies having the same aim should be formed by other classes of Chinese. We should devote more of our attention to studying political and economic conditions in Japan, and also to Japanese geography. To be sure, there are many societies of this nature that may be organized, such as "Research Society on Japanese Invasion of Korea, Shantung, Manchuria, and Mongolia", "Research Society of the Japanese Trade with China", "Research Society on Sino-Japanese Political and Economic Problems", etc. The Chinese should not spend their time going to theaters, ball rooms etc. but should spend their time studying "Japanese".

5. One of the most practical methods of education is to travel. Student excursions and merchants' visits to Japan ought to be very frequent. We will not be able to learn anything unless we go to Japan to study, or to investigate conditions.

Chinese Industries Should Be Developed

By merely boycotting Japanese goods without at the same time developing the Chinese industries, the Chinese will soon find themselves short of supplies, for Japanese imported goods are necessities for the Chinese.

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1. Fundamentally speaking, all the Chinese manufactured goods which are similar to foreign goods ought to be exempted from all taxation. Under existing conditions a box of tooth-powder manufactured in Canton which is sold there at ten cents per box has to be sold in Peiping for 30 cents. This is due to the exorbitant taxes that have to be paid on the way, and the high charges for transportation owing to the poor means of communication. Foreign goods, either manufactured in China or imported from abroad, which compete with Chinese goods ought to be taxed while the manufacture of such goods by the Chinese ought not to be only exempted but also be encouraged.

2. Railway charges on native manufactured goods ought to be reduced.

3. A new system of "Railway Deposit or Transfer" (鐵路押匯) ought to be introduced. At present, the system used in China is this: The goods are transported through transportation companies. After, the goods are sent to the companies, the holders of the receipt (given by the company) may pledge it to some bank for cash. That is to say, the transporters and the pledgees are two different persons. The pledgees usually do not have a chance to examine the goods, but only judge the value of the goods by examining the receipt given by the transportation company. To be sure, the procedure is very complicated and too inconvenient to merchants.

If the system of railway Deposit or Transfer is introduced great benefit and convenience accrue to the merchants. The goods are sent and are to be transported to and by the railway Company directly. The holders of the receipt (from the Railway Co.,) can pledge it to the Railway Company for cash. In this way, the transportrs and pledgees are the same person —the Railway Company. Thus the Railway Company will have a chance to examine the goods and the holders can easily get the cash. When the goods reach their destination, the receiver need not necessarily take them out at once, but may let them lie in the godown of the Railway Company. That will save a great deal of unnecessary charges for loading and unloading goods. When the Railway Company issues the receipt, it certainly has more value in the market, and the holders may easily pledge it with some bank for cash. In the ong run, one will realize how convenient this system would be.

4. Chinese Goods Bazaars should be established in all big cities. At present, most Chinese do not know which goods are Chinese and which are imported for they do not have a chance to see the Chinese manufactured goods. Thus traitorous merchants have a chance to misrepresent the foreign goods as Chinese goods.

Shanghai, April 15, 1929.

This new system was proposed by. Dr. Ma. Yin Chun (馬寅初) a well known Chinese economist.

M. Thomas Makes Report on his Far Eastern Trip

The Labor correspondent of the *Manchester Guardian*, in its issue of March 22, gives some details of the repart which Albert Thomas, the director of the International Labor Office, who recently arrived back in Europe after his tour of the Far East, presented to the Governing Body of the Office. The report deals frankly with labor conditions in China and Japan. After discussing the miserable conditions under which many Chinese workers live, M. Thomas states that in its present stage the Chinese labor movement deals more with nationalism than with occupation. The Kuomintang party has still not worked out its fundamental policy of workers' organization. Some are in favor of free organisation of trade unions; others suggest an organization of an authoritative character with State arbitration in disputes between employers and workers, which would ensure justice for both sides, but would aim, above all, at political stability and increased production. M. Thomas says, however, that he did find some signs of less purely political organizations, which seemed to be the beginning of a real trade union movement. These were at Shanghai and still more at Canton, "A strong trade union movement, even if confined to the large towns in which industry is concentrated, would be an important factor in the development of social legislation in China," M. Thomas said.

Mr. Ransome Didn't Write a Preface for Dr. Woo's Book

Sometime ago the *North-China Daily News* published a critical review of Dr. T. C. Woo's book, "The Kuomintang and the Future of the Chinese Revolution", in which it was stated that Arthur Ransome, special correspondent for the *Manchester Guardian*, had written an introduction to the book. Copies of Dr. Woo's book which have arrived in Shanghai show that the introduction was written by Dr. Woo himself and not by Mr. Ransome.

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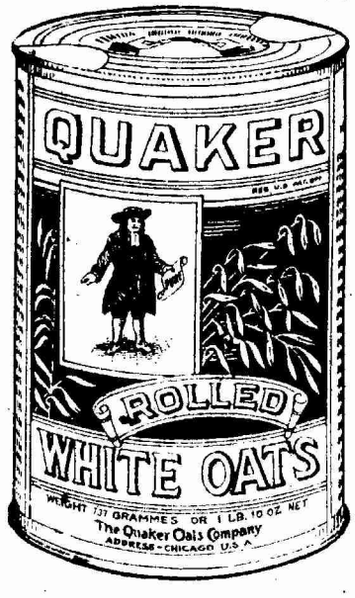

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Chinese Nationalism: Yesterday and To-day

BY CHUN-YUNG LEE (李春榮)

CHINA lost the prestige of a venerable Empire in the year 1842, when she met her first defeat in the Opium War with Great Britain. For this she was forced to concede privileges and some territory. Her lack of strength was further revealed in the Second Opium War waged jointly by Great Britain and France in 1858. By then most, if not all, of the Powers had secured the important provisions of the present unequal treaties, such as fixed, low tariff, extrality and most-favored-nation treatment. It is curious, and indeed regrettable and lamentable, to note that the Emperor still regarded himself as the earthly father of all people, without any regard or preparation for the future. But the real trouble was that the people did not know the destiny of their unawakened nation. This state of affairs continued on till the eighties when China lost her dependencies one after another to the Powers. Thus, chronologically, China lost the Luchiu Islands to Japan in 1881; the western part of Ili to Russia in 1881; Tonkin and Annam to France in 1885; and North Burmah to Great Britain in 1896. This decadent trend continued on well into the nineties. For England robbed her of Sikkim in 1890 and Japan was not slow to get the Pecadores, Formosa and Korea in 1895. What a pity! Japan got her prey after the famous Sino-Japanese War resulting in the Treaty of Simonoseki of 1895. Thus China's weakness veiled by her incidental victory over France in Indo-China, 1885, was totally revealed to the Occidental countries by a negligible Japan. Now we come to a still sadder story. What we had lost were dependencies. From 1895 onward an international scramble was started over China proper. Either by claim of balance of power, compensation or security, the Powers leased territories such as Kiaochow (now restored), Port Arthur and Talienwan, Kowloon, Weihaiwei, and Kwangchowwan from China. Besides these were the so-called spheres of influence, priority rights, railway concessions and other imperialistic claims. Such was the situation of China in the last decade of the nineteenth century. It meant the partition and the end of China!

The First Stage of Nationalism

The above-narrated story, however, would be incomplete if we fail to perceive that in these last ten years of the past century a small percentage of the people felt the fate of their nation, sought the method for her rescue, and preached their gospel to the people. Here is the consciousness of the people which means the nationalism of the Chinese. And that in turn means the hope and life of China. During this period, Dr. Sun Yat-san established the Shing-chung Hui in 1894, and Kong Yu-wei and his adherents tried to carry out their reform movement in 1898. The two Camps, different in method, both saw the imminent danger of China. Both carried on the movements of nationalism. The reader is invited also to consider the Boxer Uprising. Some despise it because it was unmethodical and unorganized. But the writer takes it to be a mass movement and an expression of Chinese nationalism. The Boxers tried to drive the "devils" out of China—an action against outside attack. If we examine world history nationalism almost in any country originates in feelings or passions against foreign aggression. However, we need not go further than this because we are not dealing with a detailed history of Chinese nationalism. Suffice it to say that after the failure of Kong Yu-wei and the Boxer Uprising, the people were convinced that in order to save their nation, other means than revolution to overthrow the Dynasty would be impossible. They therefore rallied about Dr. Sun. Thus the Shing Chung Hai was strengthened and reenforced. Dr. Sun reorganized it in Japan in 1905 and named it Tung Man Hui. Its influence increased day by day. Riots were frequent and independent movements became sporadic. Although with repeated failures, it attracted the attention of both the Imperial court and the foreign nations until its activties culminated in 1911 with the overthrow of Ching dynasty in a night. Such is the tremendous force of Nationalism. Chinese nationalism! It may be said that the first climax of Chinese Nationalism was reached.

Its Second Stage

Although the Chinese Republic was established in 1911 the monarchical party still dominated politics. Then a parliamentary struggle was begun by the Kuo-ming Tang members formerly Tung man Hui, against Yuan Shi-kai, the then president. The latter crushed the former by infamous means and proclaimed himself Emperor, Chinese nationalism was at its low ebb. What a pity! The Republic was successfully won but quickly lost again, though only for a short while. The outside yoke in the form of unequal treaties was not overthrown. Thus far, Chinese Nationalism resulted in nothing substantial. This was from 1912 to 1916. The Kuo-ming-tang members, the soul of Chinese nationalism, recognizing the impossibility of carrying out their aim in the north gathered together at Canton and set up an independent government. In the years following the revolutionary spirit developed by leaps and bounds and nationalism was again intensified. But an offset occured, On March 12, 1925 Dr. Sun, the political Messiah of China and the driving force of Chinese nationalism, was called away forever. His lamented death, indeed, was a big loss to China. But like those of Jesus Christ, his disciples were inspired, stimulated and moved to carry out his noble ideas. So we have the Northern Punitive Expedition. Within two years it was completed and China again is a unified nation. This time some objects of the revolutionary and nationalistic spirit have been achieved, such as the retrocession of the Hankow and Kiukiang settlements, the enforcement of the new tariff schedule, recent negotiation of abolition of extrality. So far so well. The second climax of Chinese nationalism is reached. This is 1928.

Its Present Declining Tendencies

So much for the past. How about Chinese Nationalism to-day? Here opinion may differ. But the writer thinks, and may not be unreasonable to think, that Chinese nationalism is declining. With the second climax reached as stated in the preceding paragraph, it may be natural or unnatural that a certain backward movement should arise. Dear reader, you are requested to see the following points.

First, there is now the militarist split. It is very unfortunate that a formal declaration of war on the Kwangsi clique was issued by the Nanking Government last month and so our dearly bought unification is again nullifed. How about China today? It is anything but a political whole! Nothing but a bundle of sectional divisions! Examine objectively whether or not the orders of the so-called Capital are carried out in Wu-Han, Canton, Mukden, or even Peiping. If so, it is only nominal. Worse than that, the military leaders are suspicious and jealous of each other. If they can not agree on one trivial point, they will remember it for life. To-day they may say "Comrades", but to-morrow they may take up the gloves and say "Down with this counter-revolutionalist". On this or that particular circumstance they may act in unison where they have a common adversary; but personal differences and self-seeking lie deep beneath the temporary bridge of snow. It goes without saying that there are others who are indifferent and who may sow discord among their enemies in order to fish in the troubled water. All this is the fatal drug of Chinese Nationalism! What I have said may best be illustrated by the present open hostility between the "Central Government" and the Kwangsi chique. Did General Chiang Kai-shek once cooperate with General Bei Chung-shi and Lee Chi-san in suppressing the "communistic" elements who fought the Fourth Division in Kwangtung two years ago? Now General Chiang orders his "loyal" and "revolutionary" army of the Fourth Division to annihilate the "reactionary" and "counter-revolutionary" Bei Chung-shi and Lee Chi-san, the so-called Kwangsi chique! By the way, attention should be called to the fact that the present sectional strife is not between the Kwangsi clique and the Central Government at all. It is a war between the Kwangsi clique and General Chiang Kai-shek who is the Central Government.

Shanghai College, April 6, 1929.

Bureau of Social Affairs Opens Loan Office

The Bureau of Social Affairs of the Municipality of Greater Shanghai has decided to open an experimental loan office with a view to alleviating conditions among the poor. To begin with the Bureau has marked out a part of Nantao, from the Southern Wharf to the Shanghai Arsenal along the Bund, as the first experimental district, and any one in this district may, with a suitable shop guarantee, apply for a loan not exceeding twenty dollars, as capital to engage in any enterprise he contemplates. The Bureau has in mind that eventually there is to be organized a Municipal Benevolent Society, and if the present experiment proves successful the scope of the scheme will be extended. General Chang, Mayor of Shanghai, is stated to have endorsed the idea.

Chinese Move to Convert Provisional Court into Purely Chinese Institution

On April 12 a meeting of Government judicial authorities was held at Nanking to discuss the rendition of the Shanghai Provisional Court. President Wang Chung-hui of the Judicial Yuan presided, and Dr. C. T. Wang, Minister of Foreign Affairs and Wei Tao-ming, Minister of Judicial Administration, participated in the deliberations.

No official statement was issued, but it is believed, according to the *Ta Chung* news agency, that the National Government will shortly notify the Powers concerned that at the expiration of the present Mixed Court rendition agreement next autumn, the Provisional Court will be abolished and a Chinese Court instituted in its stead.

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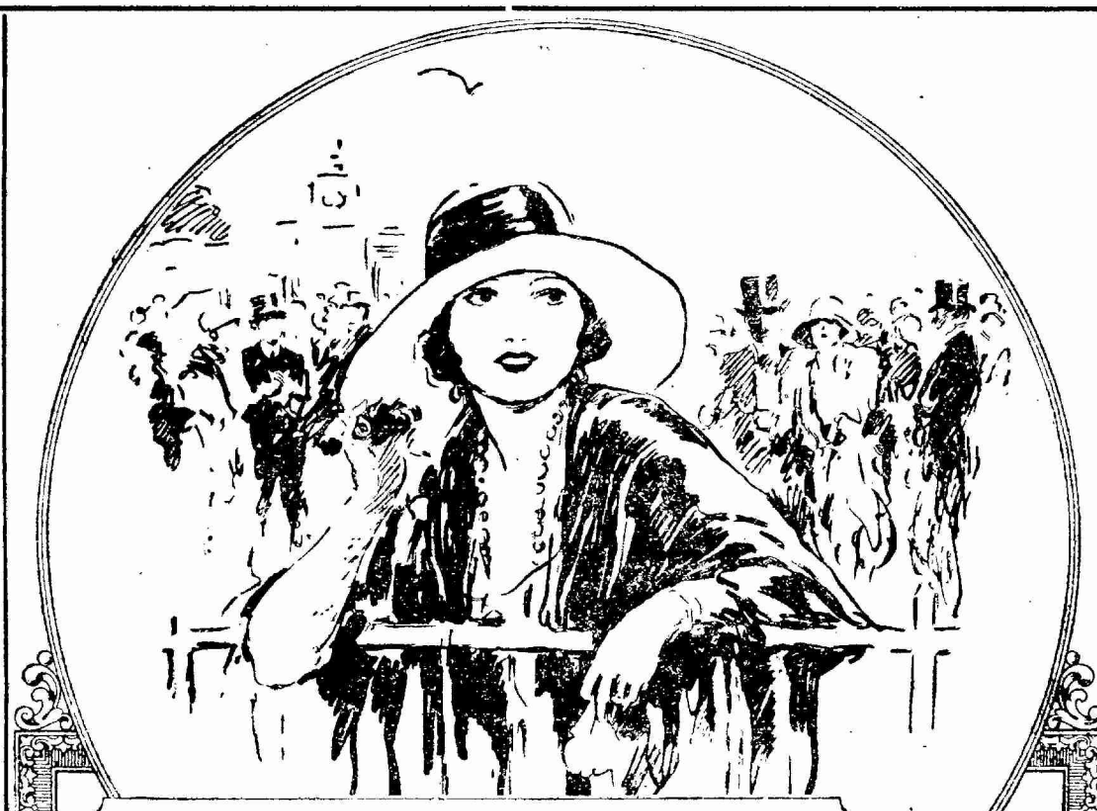

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AIRCRAFT CONSTRUCTION IN THE CHINA NAVY

(*Continued from page 316*)

direction desired. With the guns thus located the field of firing covered nearly all directions. The only blind spot was a little angle at the tail, which was unavoidable in any aeroplane so far built. As fuel was contained in tanks on the top plane, the hull space between the pilot and aft gun cockpits was free for the stowage of bombs and other ammunition and when the machine was used for passenger carrying, four seats could be easily accommodated in this space. For the comforts of passengers the sides of the hull were fitted with portholes similar to those fitted on yachts.

The power of this flying boat was supplied by a 12-cylinder V-type watercooled Rolls-Royce engine which developed 360 horse power at 1800 revolutions per minute. It was geared and the speed of the propeller was 1080 revolutions per minute. The total weight of this machine was 6500 lbs and its speed range was 105-150 miles per hour. Its overall dimensions were span 56 feet, length 39 feet and height 16 feet 7 inches. The hull which was of the flexible or Linton Hope type of construction was 36 feet in length.

Type "Wu". This was an observation or general purpose machine of 120-130 H. P. It was a twin float single bay tractor biplane. Its chief features were simplicity of construction and ease of maintenance. It was distinctly different from previous types in its fuselage construction. In this fuselage, except for the engine mounting in the nose, no metal fittings or wires were emplyed. It was built up in the form of Warren girders which comprised four longerons of Shanmu and a number of struts of the same material. The attachment of the struts to the longerons was by means of two-ply camphor wood gussets glued and copper-riveted. This construction proved very rigid and strong under bending and torsional tests and was entireloy satisfactory in actual service. Its advantage over the ordinary braced type must be obvious since no great numbers of metal fittings, wires and turnbuckles or special forms and jigs were required in its construction and no constant trueing up was necessary in service. Three seats were provided in the fuselage, two side by side, or sociable seats, in the rear cockpit and one in the front cockpit the floor of which was so arranged that a camera might be conveniently fitted for doing aerial photographic work or bomb gear and sight fitted for dropping bombs. Except in the fuselage all the struts in this type of machines were made of steel tubing faired with hollow wooden tail pieces in order to cut down the air resistance. The engine fitted was a 3 cylinder radial air-cooled Bristol. The gross weight of this machine was 2000 pounds. Its speed range was 105-145 miles an hour. The span was 35 feet 5 inches, overall length 26 feet and overall height 12 feet 3 inches.

Type "Ding". In this type of machines are bombing and torpedo planes. It is fitted with a 360 H. P. Rolls-Royce engine but the nose of the fuselage is so built that a still higher powered engine can be easily fitted when available. Its total weight is 5300 lbs. and its millitary load 2200 lbs. In its general method of construction it is similar to type "Wu" except that the two floats are supported on separate and independent structures with an absolutely clear space between them so that a torpedo may be slung under the fuselage and launched without hindrance. There are three cockpits or two cockpits and a cabin in the fuselage. The pilot's cockpit is under the trailing edge of the top plane, where there are two side-by-side seats; behind it is the gunner's cockpit. Between the pilot's cockpit and the engine compartment is the cabin or bomber's cockpit. This is of generous dimensions and when the machine is used as a bomber quite a large load of bombs can be stored. A trap door and bomb gear is fitted on the floor. When used for passenger carrying, four persons can be comfortably accommodated in the cabin, the head room of which is big enough for persons of normal height to stand upright. Entrance to the cabin is by a door on each side of the fuselage while a third or emergency door is fitted on the roof. Large windows are fitted on both sides of the cabin and the doors are also plated with a kind of safety glass, so that although the cabin is completely closed and the passengers well protected from the weather, yet the views from inside the cabin are exceptionally good. When non-stop long distance flights are to be made, one or more large reserve fuel tanks can be installed in the cabin which together with the main tanks in the top centre section will enable the machine to fly for hours on end at cruising speed. The normal fuel capacity is six hours. The overall dimensions of the machine are: span 46 feet, length 36 feet 9 inches and height 17 feet 4 inches. It is to be regretted that no performance figures may as yet be published.

Floating Hangar

Besides all the hangars and slipways which are used for housing and operating aircraft and which were designed by the officers of the N. A. E., a steel floating hangar which is unique in the fact that it is the only one of its kind in the

world was constructed at the Kiangnan Dock and Engineering Works in 1922 to the designs of Captains Barr and Wong. It was designed on the principle of floating docks and was for use on the Yangtze river. Its chief features are its mobility, as it can be towed anywhere, and its ability for operating in shallow waters. Unlike the use of shore hangars and slipways, the seaplane housed in the floating hangar can be flown at any moment and is therefore independent of the tide.

The hangar structure is built on to a hull which consists of two longitudinal steel pontoons connected together by transverse girders and deck plating. Each pontoon is divided into five watertight compartments, the centre one is the flooding compartment and the other four are holds and chain lockers. In the centre of the hull there is a trough or dock in which the floats of the seaplane normally rest. At the front end of the trough there is a hinged flap door which, when closed, is watertight. When the seaplane is not in use, the hull is at its normal waterline, the flap door is closed and the bottom of the trough is above water. When it is desired to operate the machine, water is pumped into the flooding compartments and the hull is sunk to its low waterline; the flap door is then opened and the machine is water borne and can therefore be taxied out. Sinking or floating of the hangar is accomplished by means of a centrifugal pump driven by a kerosene engine. The over-all dimensions of the floating hangar are: length 70 feet 8 inches, width 35 feet 4 inches and height 26 feet 6 inches. Its normal draft is 2 feet 10 inches.

Foochow, April 6, 1929.

Yenching School of Journalism Fund Receives Many Contributions

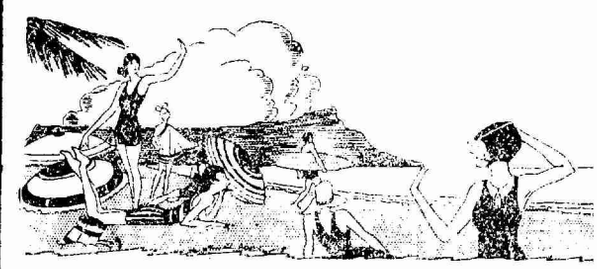
The establishment of a school of journalism in Peping, under the joint sponsorship of the University of Missouri School of Journalism and Yenching university, Peping, has now been assured by many subscriptions to the support of the school by American newspaper men, according to information from the American office in New York. The subscriptions now have reached a point where conditional gifts are validated.

Vernon Nash, and Dean Walter Williams of the Missouri School of Journalism, have been moving spirits in the project.

The pledges by newspaper men have ranged from $25 to $5,000. Those who have contributed include: Walter A. Strong, publisher of the Chicago Daily News; R. P. Scripps, of the Scripps-Howard newspapers; W. T. Dewart, publisher of the New York Sun; Adolph Ochs, publisher of the New York Times; James Wright Brown, editor of Editor and Publisher; George B. Dealey, publisher of the Dallas News; E. K. Gaylord, publisher of the Oklahoma City Oklahoman; Marcellus E. Foster, editor of the Houston Press; C. M. Palmer, of Palmer, DeWitt and Palmer in the name of the St. Joseph News-Press; the American Society of Newspaper Editors; the Missouri Press Association; the United Press associations; W. Laurence Dickey, publisher of The Kansas City Journal-Post; Oswald Garrison Villard, editor of The Nation; Mr. and Mrs. F. W. Kellogg, Pasadena, Cal; Charles H. Prisk, the Pasadena Star-News; C. E. Broughton, Sheboygan, Wis., Press; Gardner Cowles Sr., and Gardner Cowles, jr., Des Moines Register-Tribune; Charles H. Dennis, Chicago Daily News; R. R. Harrison, Christian Science Monitor; Ed. Howard, Capichita Falls, Tex., Times; Frank Glass, Montgomery, Ala., Advertiser; G. B. Williams, Geneva Times; and Dean Williams.

T. V. Soong Busy With Financial Reform in Hankow

The *Ta Chang* news agency states that T. V. Soong, since his arrival at Hankow in the latter part of last week, has been quietly formulating a number of financial measures which are to be carried out by the provincial authorities under the supervision and direction of the Ministry as soon as the new provincial government committees are formally inaugurated. It is understood that the financial rehabilitation program prepared by Minister Soong deals firstly with the demarcation of the Central and provincial revenues, secondly, the re-opening of the Hankow branch of the Central Bank of China, and the determination of the military expenses of the two provinces which will be remitted direct from the Ministry of Finance. For preparing for the re-opening of the Central Bank of China, Wang Ting-heng has been instructed by the Finance Minister to conduct a thorough investigation into the condition of the Hankow Branch of the Central Bank previous to its closing down.



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The Situation in Central China

Although the National Government is firmly in control at Hankow, where T. V. Soong, the Minister of Finance, is busily engaged in putting the finances on a stable basis, the situation west and south of Hankow remains very unsettled. The retreating forces of the Wuhan party, on making their appearance in the district near Ichang, about April 11, clashed with the Szechuen troops commanded by Gen. Liu Hsiang, who had sailed down from up-river reaches, at the same time announcing that they would support the National government. Simultaneously General Chiang Kai-shek ordered Gen. Chu Shao-liang, Gen. Hsia Tao-yin, Gen. Liu Shih and Gen. Chiang Ting-wen to march towards Shasi and Ichang from both sides of the river. At the same time Admiral Chen Shao-kuang proceeded to Kiangchow, Shasi and Ichang with a flotilla of gunboats.

Changteh a Storm Center

For several days Changteh, Northern Hunan, was an important storm center. About a dozen and a half missionaries are located in this district and for a time there were grave fears for their safety. The property of the Asiatic Petroleum Company and of the Catholic Mission there was looted and a British employee of the A. P. C. (Mr Gabb) was roughly handled for a time by the troops, who were evidently Kwangsi-ities retreating back to their own province after their defeat at Hankow.

Later reports stated that the trouble at Changteh was being caused by the efforts of General Tan Tao-yuan, the Commander of the 50th Nationalist Division, to regain control of the city, which fell into the hands of a former subordinate, General Li Yung-Chih, when General Lu Ti-ping, the Chairman of the Hunan Provincial Government, had been driven out by the Wuhan leaders previously. At that time General Tan Tao-yuan was forced to take to flight and his subordinate, General Li Yung-chih, declared for Kwangsi. Encouraged by the success of the Nationalist forces at Hankow, General Tan Tao-yuan then commenced to attack Changteh.

Army and Navy Cooperate at Ichang and Shasi

In the meantime an official telegram from General Chu Shao-liang, Commander of the 8th Division, reported that the vanguards of his forces had already reached Ichang, Shasi and Kingchow, in western Hupeh and that the remnant rebel troops were retreating in confusion leaving behind a large quantity of rifles and ammunition. Incidentally Chiang Kai-shek had dispatched several airplanes to the front for reconnoitering service.

A communique from Admiral Chen Shao-kuan, April 14, stated that two gunboats, the *Kiangkun* and *Kianghsi*, bombarded Shasi on the 13th, where the rebellious Wuhan troops had concentrated preparatory to escaping into Szechwan. After a few hours of cannon fire, the latter evacuated the city and retreated westwards.

Another report from General Chu Shao-liang, commander of the 8th division, stated that following a brief skirmish with the units under Hu Tsung-tun and Tao Chun at Sientaochin, several hundred rebel soldiers were taken prisoners and a large quantity of ammunition seized. The remnant Wuhan troops retreated in a north-westerly direction. A detachment of the troops under Chang Yi-shun, one of the rebellious Wuhan commanders, has been disarmed by General Chu.

Kwangsi Retreat Continues

A *Kuo Min* message from Changsha, dated April 15, stated that all Kwangsi forces in the Yunchow-Chenchow region, southern Hunan, were reported to be withdrawing and returning to Kwangsi. One battalion of the Hunan provincial forces under Liu Chien-sui was taking stations at Changning, north of Yungchow, and another battalion under Chang Chi-hung was guarding the region west of Kiyang. As far as was then known, no Kwangtung soldiers are stationed in the Hunan

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border neither were there any Hunan units in possession of any Kwangsi territory.

A *Kuo Wen* telegram from Nanking April 17, stated that Gen. Chang Fat-kwei, the man behind the noted "iron division" of the Nationalist Armies composed entirely of Cantonese soldiers and officers, had wired to Gen. Chiang Kai-shek requesting orders for war on the remnants of the Kwangsi military clique and to wage war until Kwangsi Province had been conquered for the Central Government.

Gen. Lung Yuin, Governor of Yunnan Province, also wired to the Central Government proposing further war on the Kwangsi Party. He stated that he has massed three divisions of his men who are ready to march into Kwangsi Province from Yunnan upon orders from the Central Government.

In the meanwhile, Gen. Chen Chi-tang, Special Commissioner for Military Affairs of Kwangtung Province, has wired to the Kwangtung Guild of Nanking and the Cantonese leaders of the Central Government stating that he has made all preparations for maintenance of order in Kwangtung and to fight for the Central Government.

It is the general opinion at Nanking that war will soon be opened by the National forces on the Province of Kwangsi until Generals Li Chung-jen, Pei Tsung-hsi and Huang Shao-hsiung were ousted from that province. Gen. Ho Chien of Hunan Province had in the meantime returned to Changsha and was making preparations against the Kwangsi group.

Gen. Ho Chien has been appointed chairman of the Hunan Provincial Government Council and Gen. Wu Shang has assumed office as Commander of the 52nd National army division under the control of Gen. Ho Chien of Hunan. Gen. Yih Kai-shing, former governor of Hunan has been made a member of the Hunan Provincial Government Council and Defence Commissioner of the Wuchang-Changsha and the Chuchow-Pinghsiang railways with the troops under Generals Chen Chu-cheng and Chen Han-chang placed under Gen. Yih's control. Shun Kwang-ti has been appointed by Gen. Chiang Kai-shek to readjust the financial affairs of Hupeh and Hunan

American Missionary Killed in Kweichow Province

The Seventh Day Adventist Mission at Kweiyang reported during the week that it had received dispatches from Huang-tsaopa, in the south-west corner of Kweichow Province, stating that an American missionary, Herbert K. Smith, had been killed. Details regarding the circumstances of the case are so far lacking, but the United States Consul at Hankow is making investigations. Mr. Smith, who was a native of Zionville, Indiana, was on an evangelistic tour of the province, having started from Kweiyang.

Another Protest Against Greyhound Racing in Shanghai

The *Kuo Wen* news agency states that Wenszu King, Chinese Special Commissioner of Foreign Affairs, has again protested to the Senior Consul against the maintenance of greyhound racing in the foreign settlement of Shanghai. Mr. King states in his letter: "I have had the honor to repeatedly point out to you the bad effects on Society through the gambling at greyhound racing in the foreign settlements at this port and requested their immediate stoppage, but such request has not yet been complied with, to my regret. The dangers of greyhound racing are obvious, but the people flock to them. The situation has gone from bad to worse and such gambling now goes on every day of the week, with the result that many have been caused to lose their employment, many have lost their fortunes and turned to banditry, while others have been placed in miserable distress. It is the duty of the governors of the port to maintain peace and order in society. I hope that you will see to it that this matter is taken up for discussion at the foreign ratepayers' annual meeting and see that a resolution in passed to prevent the operation of greyhound racing courses in Shanghai."

CUSTOMS NOTIFICATION NO. 1150.

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W. R. MYERS,
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CUSTOM HOUSE,
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Peiping-Mukden Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Men and Events

Gen. Chiang Kai-shek, President of the National State Council, is expected to return to Nanking from Hankow about the middle of May.

For the first time since 1924 the famous "Blue Express" train on the Tientsin-Pukow Railway was placed in operation from Pukow to Peiping April 16.

The Hankow papers publish an announcement by Weeks & Co., well-known British storekeepers, that they are about to close their branch in that city.

The *Shanghai Mercury*, local British afternoon newspaper celebrated its fiftieth anniversary on Wednesday, April 17, by issuing a special souvenir edition.

Randall Gould, representative of the *United Press* in Manila, is expected to arrive in Shanghai middle of May, when he will take charge of the service here.

Corporal Frank L. Rearick of the U. S. Marines stationed in Shanghai died April 16 from spinal meningitis. He was 28 years of age. His home was at Lock Haven, Penn., where his father survives him.

The *Chinese Recorder*, edited by Frank Rawlinson, in its April issue contains a symposium on the State of the Chinese Church and articles by Frank Hulm, D. C. Graham, Katherine Vaughn and J. G. Vaughn.

One hundred million silk worm eggs recently arrived from Marseilles at San Diego, California, and are to be placed in a silk worm rearing plant at San Marcos. It is estimated that ultimately they will produce 60,000 lbs. of raw silk.

T. V. Soong, Minister of Finance of the National Government who went to Hankow several days ago for the purpose of reorganizing the finances of the Wu-han cities on behalf of the Central authorities, will return to Nanking early next week.

Chauncey P. Holcomb announced during the week that he had acquired from Sterling Fessenden the latter's interest and good-will in the law firm of Fessenden and Holcomb, Shanghai, and would continue the firm under the same name.

The *Chinese Economic Journal* for March contains articles by Dr. Frederick Otte, B. T. Chong, L. E. Tsao, M. Feldman, Nang Peh-chun and H. P. Howard. Mr. Howard's contribution is an extended study of Population Pressure and the Growth of Famine in China.

The *Shanghai Evening News*, local American newspaper, celebrated its first anniversary on April 16 by announcing a change in the name of the paper to *Shanghai Evening Post*. The issue of the paper on April 16 contained several congratulatory letters from local Chinese and American officials. Carl Crow is publisher of the paper.

Wang Yi-heng, a member of the staff of the head office of the Central Bank of China at Shanghai, probably will be appointed manager of the Hankow branch of the bank according to a report of the *Kuo Min* news agency on April 17, which also stated that preparations are being made to redeem the depreciated notes of the Hankow branch.

Chen Yang-chieh, commissioner of public works for the Special Municipality of Nanking, has resigned as a result of charges being made that he failed to perform his duties efficiently and "unnecessarily delayed the completion of the Chungshan Memorial Highway at Nanking." Liu Chi-wen, Mayor of Nanking, was instructed by the Executive Yuan to appoint a qualified specialist for the vacated post.

Rev. Herbert K. Smith, a member of the Seventh Day Adventist Mission at Kweiyang, the capital of Kweichow Province, was killed by Chinese bandits several days ago according to a report issued by the American Legation in Peiping on April 16. No details were given regarding the circumstances, except that Rev. Smith was making a tour of the province. Rev. Smith's home is at Zionville, Ind.

A *Kuo Min* dispatch from at Nanking April 15 stated that a report that over $2,000,000 had been collected as opium tax by the defunct Wu-Han Divisional Council of the Central Political Council previous to its abolition, in defiance of the orders of the National Government, is to be investigated by special deputies of the National Opium-Suppression Committee. It is understood that upon confirmation of the report drastic measures will be adopted for the punishment of the culprits.

The widow of the late General Wu Tsung-shen, Governor of Hailungkiang who was killed at the time of the bombing of Marshal Chang Tso-ling's train at Mukden last year, has appropriated a considerable sum of money to be used for the education of Chinese girls and women in the Three Eastern Provinces. According to a report which appeared in *The Harbin Daily News* recently Madame Wu has donated funds for the organization and construction of two schools for women, one a girls' primary school and the other a middle school, both of which are to be located in Taonan.

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Who's Who in China

Dr. C. Kuangson Young

楊光泩

(Yang Kuang-sheng)

Dr. C. Kuangson Young was born in Shanghai, China, in 1900. He graduated from Tsing Hua College 1920. He received his B.A. degree from Colorado College, Colorado Springs in 1921 and his Ph. D. from Princeton University in 1924, majoring in International Law and Political Science. His doctorate thesis is on "The Rights of Aliens in the United States", a very comprehensive and authoritative work on alien status in the United States treated from the standpoint of international law, the United States Constitution and federal statutes, and the state Constitutions and laws. Dr. Young is now revising the part dealing with immigration to bring it up to date it and will soon be published.

From 1921 to 1922, Dr. Young was student attache to the Chinese Delegation to the Washington Conference. From 1923 to 1924, he was Fellow in the Department of Polities of Princeton University. From 1924 to 1927, he was attache and then Third Secretary of the Chinese Legation at Washington. While there, he contributed many articles to *Foreign Affairs*, *Current History*, and other leading American magazines. From November, 1924 to March, 1925, he was Secretary and Expert of the Chinese Delegation to the International Opium Conferences at Geneva. He was for sometime acting Editor-in-Chief of the *Chinese Students Monthly*, Chairman of the Eastern Section of the Chinese Students Alliance in 1923-1924 and Chairman of the Eastern Conference of C. S. A. in 1923, held at Haverford, Pa.

He held the professorship of Chinese at Georgetown University, 1926-1927, and was also appointed by the American University, Washington, lecturer on Far Eastern History. He resigned on returning to China in August 1927.

Upon his return to China, he became professor of Political Science and International Law at Tsing Hua University. In February 1928, he joined the Ministry of Foreign Affairs of the Nationalist Government at Nanking. He now holds the position of Assistant Director of the Intelligence and Publicity Department of the Ministry. He has also been appointed Chinese Commissioner on the Sino-American, the Sino-Italian and the Sino-British Mixed Nanking Claims Commissions.

Mr. Siew Fat Seng

蕭佛成字慈祥

(Hsiao Fu-cheng)

Mr. Siew Fat Seng, was born of Fukienese parents in Bangkok, Siam in December, 1863. In his youth he received his education from Mr. Kuo Chuan-pa, who had participated in Hung Hsiu-chuan's Taiping rebellion as a staff official and later escaped to Siam when he had been defeated.

Siam at that time was still an undeveloped country. Mr. Siew devoted ten years to diligent study of the history of his own and other countries. At the age of twenty-six Siew joined San Ho-hui, whose motto was "Down with the Manchu Dynasty and restore the Ming." No sooner had Mr. Siew discovered that it was not sufficient to change dynasties, than he inaugurated the Yu Jen Hsien Hsueh Hui with the aim of awakening the nationalistic spirit of the Chinese people. Later he, together with others, organized the Kuang Fu Club and finally they also established the *Chino-Siamese Daily News*, a publication issued both in Chinese and Siamese languages. Both of the above were revolutionary organs which opposed the Manchu government and aimed at restoring the assendency of the Han tribe. In 1908 when the late Dr. Sun Yat-sen and Mr. Hu Han-min organized a branch of the Tung Ming-hui, the first revolutionary organ before the Kuomintang, at Siam, Mr. Siew was appointed chairman thereof. Henceforth Mr. Siew became a worshipper of Dr. Sun Yat-sen's San Min Principles. The branches of Kuomintang which now exist in the different districts of Siam are the ones formerly organized by Mr. Siew. In 1924 when the Kuomintang was reorganized and held its 1st National Congress, he presided at the Congress on behalf of Siam. In 1925 when the second National Congress of the Kuomintang was held, he was elected a member of the Central Executive Committee, but he refused to accept the post and remained at Siam. In the summer of 1927 he returned to China and assumed the post of Chief of the Oversea Department of the Central Executive Committee, and assisted Gen. Chiang Kai-shek and Mr. Hu Han-min in the elimination of the Communists from Kuomintang. Several months later he left for Siam. In March 1929 he again came to China to participate in the Third National Congress of the Kuomintang, upon the conclusion of which he was elected a member of the Central Supervisory Committee of the Kuomintang.

Mr. Siew is now sixty-seven years of age and contemplates sometime later to return to Siam to study Buddhism until the end of his life.

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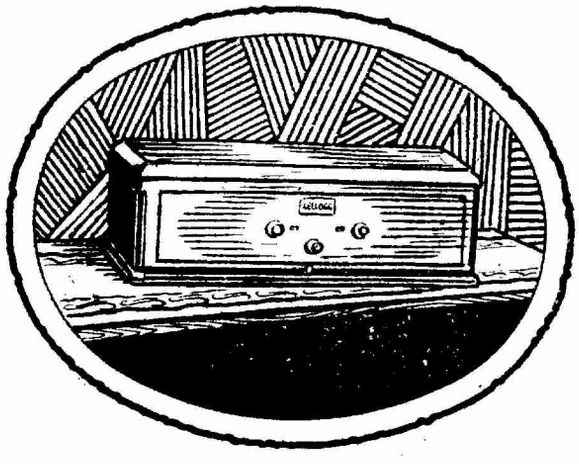

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service

Tokyo, April 10.—Despite the fact that of the three Chinese committeemen, Kuo Fung and Lo Shiu-wen have returned to Shanghai and Nanking, respectively, thereby rendering the transfer of garrison duties very difficult, it is understood that the Japanese military authorities intend to complete the evacuation of the Japanese troops as already decided so long as no untoward incident of importance occurs.

Nanking April 10.—Mr. Kamimura, Japanese consul at Shanghai, K. Horiuchi and Mr. Arino, of the Japanese Legation, open preliminary negotiations with Chow Kung-Kuang concerning the Hankow and Nanking incidents and treaty revision.

Changchun, April 10.—Mongolian Princes in conference pass resolution opposing San Min Chu Yi.

Hankow, April 11.—Japanese reinforcements from Shanghai are withdrawn.

Nanking, April 11.—Negotiations for settlement of Nanking incident are reported completed.

Tientsin, April 11.—Armed motor-van corps called out for enforcement of control over labor demonstrators who presented a petition to the Chinese Municipal Administration Office and the District Kuomintang Headquarters.

Tokyo, April 12.—Military authorities in conference with officials of the Foreign Office decide on the enforcement of the evacuation of the Japanese troops from Shantung as already decided, in spite of National Government's reported request for postponement.

Nanking, April 12.—C. T. Wang leaves for Shanghai for formal interview with Japanese Minister, K. Yoshizawa, concerning the Nanking and Hankow incidents.

Ichang, April 12.—Retreating Wuhan troops have clashed at a point 2 miles northeast of Ichang with the Szechuen troops commanded by Gen. Liu Hsiang.

Hankow, April 13.—Japanese officials request undertaking by Chiang Kai-shek for maintenance of control over the anti-Japanese movement here.

Tsingtao, April 13.—As a result of an interview between Chen Chung-fu and Chao Chi, director-general of Tsingtao port affairs, complete arrangements have been made for taking over administrative organs in Tsingtao by Mr. Chen on the 15th inst.

Hongkong, April 15.—According to Canton despatches, the dissolution of the anti-Japanese society there was effected today by order of the Central Government.

Dr. Sao-ke Alfred Sze Arrives in Shanghai

Dr. and Mrs. Sao-ke Alfred Sze arrived in Shanghai April 14 on the s. s. Empress of Russia. They were met at the Customs Jetty by Dr. Yang Kwang-hsien, Chief of the Intelligence Bureau of the Ministry of Foreign Affairs, on behalf of Dr. C. T. Wang and Chen Shih-kwang, Chief of the Shanghai Office of the Ministry of Foreign Affairs, as well as Wenzu King, Special Commissioner of Foreign Affairs of Kiangsu. In Yokohama Mr. and Mrs. Sze were entertained by Wang Yang-pao, Chinese Minister to Japan. They were guests of honor at a dinner given by Dr. C. T. Wang at the latter's residence in Rue Admiral Colbert.

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, April 10.—T. V. Soong, Minister of Finance, leaves for Hankow to reorganize Hupeh and Hunan finances.—President Chiang Kai-shek assigns to General Chang Hsueh-liang responsibility for garrisoning Peiping-Liaoming Railway east of Luan River and to General Yen Hsi-shan responsibility for southern section.—Admiral Chen Cheh is appointed Commander of the 4th Naval Squadron of the National Army.—Minister of Public Health Hsueh Tuh-pi submits resignation to Executive Yuan.—Y. L. Tong, Vice-Minister of Foreign Affairs, returns from Shantung and declares the Provincial authorities ready to take over Tsinan.—Third Route Army leaves northern Hupeh for Honan under instructions from Feng Hu-hsiang. —Fuad Bey, Turkish Charge d'Affaires, arrives in Nanking from Shanghai for interview with C. T. Wang.—Hu Tsung-tuh and Tao Chun express desire to resign from military service.—Gen. Lung Yun despatches three divisions to Yunnan-Kwangsi border.—Remnant rebel units in Western Hupeh under Hsia Wei disarmed by forces under Liu Chih. —Gen. Lu Tih-ping, new Gendarmerie Commander for Wu-han Area, arrives in Hankow from Kiukiang.—Martial law removed in Hankow by order of Gen. Liu Chih.

Thursday, April 11.—Arrangements completed between T. V. Soong and Gen. Yen Hsi-Shan for direct payment to Ministry of Finance of all national revenue collected in Shansi, Charhar and Suiyuan.—Gen. Chu Pei-teh prepares for abolition of 1st Route Army.—Informal conversations on Hankow and Nanking incidents continued by C. T. Wang and K. Yoshizawa, Japanese Minister.—Government naval forces under Admiral Chen Shao-kwan reach Shasi, western Hupeh.—Gen. Sun Liang-chen, Chairman of Shantung Provincial Government, appointed by Chiang Kai-shek to full charge of military and civil rehabilitation of Shantung.—Vice-Minister of Communications Li Chung-kung leaves Nanking for Hankow to arrange restoration of communications between Wu-han and other regions.—Coming into effect of the customs famine surtax of 2-1/2 percent postponed.—Official mourners for State Burial Ceremonies for Sun Yat-sen chosen by committee in charge.—Gen. Sun Ting-ying instructed by Chiang Kai-shek to cooperate with Gen, Jen Yin-chi in suppression of Chang Tsung-chang's remnant rebels in Kiaotung Peninsula.—The Sino-Japanese Commission in charge has decided that Tsinan and the area between Tsinan and Poshan should be the first to be evacuated by the Japanese troops.—Gen. Chen Tiao-yuan instructed by Chiang Kai-shek to take over control of 3rd Division which will be transfered from Hsuchow to Tientsin-Pukow Railway.

Friday, April 12.—Expected arrival of German Minister, Dr. Von Borch, on the 25th inst., is announced.—National Opium Suppression Committee requests Ministry of Affairs to instruct Chinese Consulates abroad to investigate number of foreign exporters of opium responsible for large quantities smuggled into China.—At a meeting of the State Council the formation of the "China National Aviation Corporation was authorized and Sun Fo, Minister of Railways was appointed president.—The State Council authorizes the immediate establishment of a Ministry of Navy.—The appointment of John J. Mantell, Vice-President of the Erie Railroad, as Advisor on Railway Administration is officially announced by the Ministry of Railways. The 6th Division under Gen. Fong Tse ordered to return to the capital for garrison duties, the 9th Division under Chiang Ting-wen leaves Hankow for western Hupeh and Gen. Tan Tao-yuan's troops are transferred from northern Hupeh to Shasi and Kingchow. Kung Keng proceeds to Shasi and Kingchow for reorganization of defeated Wu-han units.—Martial law declared in Canton as result of reports of a Communist uprising.

Saturday, April 13.—State Council announces the appointment of Chen Wei-chen, Chinese Consul-General in London, as Government delegate to the International Labor Conference to be held shortly in England. Ministry of Foreign Affairs instructs Chinese Minister in Washington to take up question of a treaty of amity and commerce with Ecuador with Ecuadorian Minister to the United States.—Chiang Kai-shek summons a meeting of leading civil and military authorities of Hunan and Hupeh to discuss rehabilitation for the two provinces.—Inauguration of the Naval Reorg-

(Continued on page 347)

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Completed from Shiuchow to Canton

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Cities through which the line at present operates are celebrated for their temples and walls and gates. Changsha, with a population of 500,000, is especially worth visiting. It is called the cleanest city in China and it is noted as the only city in the south which withstood the seige of the Taiping rebels who scourged China more than half a century ago. Trade is flourishing here always, the principal articles dealt in being rice, tea, paper, tobacco, hemp, paulownia oil, earthenware and antimony. Chuchow also is an interesting city, having many temples of note. The road from Shiuchow to Canton, and thence to Hongkong, is safe, comfortable and operates with first class service.

Any Tourist Agency will gladly supply further information regarding rates, schedules, accomodations, etc. Or write direct to the Traffic Manager,

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No. 3

New Books of Interest in the Far East

The Book of Lord Shang

J. J. L. Duyvendak, The Book of Lord Shang: A Classic of the Chinese School of Law: Published by Arthur Probstain London, 1928. Pp. xiv, 246.

The Book of Lord Shang is one of the most original and phenomenal works in the history of political and legal thought. As Dr Duyvendak so well characterized it, "Not often in the history of thought have such principles been enunciated with such terrible simplicity, grim force, and brutal onesidedness. The mind which first conceived these ideas could only move along one track: it was bent upon the attainment of one ideal only, willingly and consciously did it sacrifice all else to this one aim, and there is something of the terrible grandeur of the forces of nature in the crude sentences, which in their endless repetitiousness are as crushing as sledge-hammers" (p.98). If that is a fair characterization, which I think it certainly is, then such a work should occupy a place, not only in the literature of a single nation, but in world literature. Therefore the present translation supplies an imperative need, as being the first step toward putting the ideas of the Chinese School of Law, of which Lord Shang was a pioneer, in a proper perspective. And it is a great fortune to the students of Chinese civilization that this work of translation should have fallen to the hands of Dr. Duyvendak, who is a great master of historical and textual criticism, and whose views about law, as disclosed in the Introduction, are so penetrating that he himself may be regarded as a fine philosopher of law. Chapter III of the Introduction is most valuable, as it gives a comprehensive survey of the School of Law in the making, the theories of Lord Shang and the influence which they have excercised upon later China. He also indicates where the School of Law needs correction, and where the broken thread should be picked up for further development in modern China. His criticism against the School of Law is no less applicable to modern legislation in China. Here is what he said: "The Jurists wanted to make law, without any touch with the people's sense of right and wrong, into a dead mechanism, which worked automatically like a compass or a pair of scales. They ruled out entirely the source of law, which lies in the development of life itself. Hsun-tzu has very well drawn attention to this mistake. He says: 'If there are laws, but they are not discussed, then those cases, for which the law does not provide will be treated wrongly.' Law can never be complete and should be supplemented by the standards which live in the people. This last truth, so long forgotten in the western conception of law, when the *Juristenrecht* prevailed, has always been alive in China. It has led to the other extreme of making law but a reflex of natural, customary law, without any regularizing force of its own" It is clear that Dr. Duyvendak is of the opinion that law is neither *Juristenrecht* alone nor *Volksrecht* alone, but must of necessity be a combination of both. This is exactly what a leading jurist of the world, Roscoe Pound, has always been teaching. In an essay on "The Theories of Law", (published years ago in Yale Law Review), Dean Pound suggested that there are two elements in the law, namely, the imperative element and the customary. In the past these two forces have always been struggling with each other for the upper hand, each striving to stifle and eliminate the other. The proper thing to do, however, is to make an adjustment of the two, not to let them fight an eternal duel.

Space does not permit me to enter into details in reviewing this admirable work of translation. I have, however, carefully studied the whole book and compared it with the original. My verdict is that the translation is extremely faithful to the original. In a few places, however, where the meaning is more or less equivocal and susceptible of different interpretations, it has occurred to my mind that the translation as given by Dr. Duyvendak does not convey the original idea. I venture to register here my humble dissents. For instance, in the opening of Paragraph I, (p.167) I come across the following expression: "Their thought dwelt on the vicissitudes of the world's affairs." It seems to me that this indicates a much too philosophical and sentimental a temperament for these men of political ambitions. The proper rendering would seem to be: "They were thinking about the rapid change of social conditions (which had overtaken them)". A more serious and questionable dissent is where the author translates the 權 by "the right standard" in Paragraph XIV. (pp. 260—261). The passage where this word is found reads as follows: "Orderly government is brought about by three things. The first is law, the second good faith, and the third right standards. Law is exercised in common by the prince and his ministers. Good faith is established in common by the prince and his ministers. The right standard is fixed by the prince alone....If the right standard is fixed by the prince alone, there is prestige." (p260.). In a note, Dr. Duyvendak explains: "This phrase (the right standard) has been misunderstood by Mai Meng-hua, who explains as the ruler's supreme authority, exercised by him alone: likewise Ivanov, "the supreme power is the prerogative of the ruler." The use of 制 "to establish, to fix", and the context below make it perfectly clear, that 權 has the sense which I have given to it. "But the word 制 also means "to control", and it is perfectly natural to say that the supreme power is controlled by the prince alone. Furthermore, to Lord Shang, Law is the only right standard, and 權 can only mean the power to enforce the Law. As to the context, while we do find such an expression as "Now, dismissing standard scales and yet deciding weight, or abolishing feet and inches and yet forming an opinion about length, even an intelligent merchant would not apply this system, because it would lack definiteness", (p.262) yet we must understand that Lord Shang was merely using an anology in stressing the importance of Law. On this point, I have consulted with Dr. Hu Shih and he expressed his agreement with me.

On the whole, the translation is a wonderful success, especially in view of the fact that the original itself is a hard nut to crack, and the author has succeeded in clearing some dark passages. The present work, therefore, will prove of help to those Chinese scholars who are not specially versed in the matter of textual criticism. It should be in the hands of every law student, every student of Chinese culture and every student of human civilization. I only hope that Dr. Duyvendak will find time to translate more works of the School of Law, especially Han Fei-tzu. JOHN G. H. WU.

The Shanghai Provisional Court, April 9, 1929.

The Author Explains

To the Editor *The China Weekly Review.*

In your issue for January 19 I noted with interest an editorial entitled "The Ban on the Morse-MacNair Book". I had not at the time, nor have I yet, received word from my publishers concerning the "banning" of the book. I presume, however, you would not have published the statement if the book had not been withdrawn from sale. At whose behest it has been withdrawn—if it has been withdrawn—I have no way of discovering.

In reading over the editorial I found myself confused: its statements appeared contradictory, and they did not give evidence of the writer having read the book as a whole. Apparently I was not alone in feeling that an editorial in the *Japan Chronicle* for February 3, 1929, drew attention to the same. I do not suggest that the writer wanted to find fault with the book; I quite appreciate the fact that he wanted merely to make it clear to your readers why fault might be found if one started out with that intention.

No one could work over and present the material incorporated in *Far Eastern International Relations* without appreciating the fact that the field of the Far East is almost hopelessly complicated and that no account worth offering to students could be given without injuring the feelings of extreme patriots and self-conscious national apologists of *all* the countries concerned. I tried to make this point clear in the preface when I remarked: "If readers of this survey—Oriental or Occidental—of a nationalistic turn of mind find points with which to differ, and conclude that the writers have been biased as regards incidents or policies relating to a particular country, they will do well to turn to the index and study the facts presented in relation to that country as a whole." If this were done I think it would be found that a sincere attempt was made by both authors of the work to be fair to all the countries involved. A careful reading of the last chapter of the volume—which appears to have caused criticism—will show both the Chinese and the Western points of view and claims. It is scarcely necessary to observe, however, that this chapter can be understood only in the light of the preceding chapters. There is in the concluding chapter no suppression of truth or any attempt to give precedence to the claims of any group or nationality. All that was attempted

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was a presentation of the conditions which prevailed and the events which occurred in the years 1925-28.

For many years I have been, and I still am, an admirer and a friend of the Chinese people. I sincerely hope that progress may continue in China and that a type of government suitable to the country—one which will be able to rule effectively, protect the interests of the Chinese people, and meet the obligations of China as a member of the family of nations—may be adopted. But in the writing of history the principle enunciated by F. York Powell should be borne in mind: "It is not patriotism, nor religion, nor art, but the attainment of truth that is and must be the historian's single aim." In preparing the volume under discussion I tried to keep this aim constantly before me. It is probable that in a work the size of this one—more than 1100 pages in length—error may have crept in; if so, I shall be happy to have such called to my attention that correction may be made in a later edition.

The object of this letter is not to discuss the "ban" placed on this work, nor to stir controversy regarding it. I wish merely to make clear a few of the difficulties which face any writer in this field, and to clear myself of the imputation of unfairness or dishonesty as an historian which is to be found in the editorial mentioned above.

HARLEY FARANSWORTH MACNAIR

University of Chicago, March. 12, 1929.

Dr. Alfred Sao-ke Sze Addresses Gathering At Pan-Pacific Tiffin

Dr. Sao-ke Alfred Sze, who for the past six years has been Chinese Minister to Washington and who was recently appointed Minister to England, and Dr. George Grafton Wilson, professor of International Law at Harvard university, were the chief speakers at the meeting of the Pan-Pacific Association at the Astor House, Shanghai, Wednesday noon, April 17.

Dr. Sze in his speech reviewed the more important events with which he had been associated during his six years residence in the United States. When he left for the United States in November, 1922, the Boxer Indemnity Bill introduced by Sentaor Lodge, had already been adopted by the Senate and was awaiting action by the House of Representatives. When he returned to Washington in the spring of the following year he found that the bill had not been considered by the House and had lapsed. In the following year Congressman Porter introduced a new Boxer Indemnity Bill and it was adopted both by the Senate and the House. Dr. Sze said it had been his privilege to be asked to suggest the best way the money thus returned could be used, and Secretary Hughes had stated that there were no strings attached to the refund. Dr. Sze's suggestion that the money should be used for educational purposes was followed. Continuing, Dr. Sze stated that in November 1924, he had the honor of serving on the Chinese Delegation to the First and Second International Opium Conference held in Geneva. Upon returning from Geneva Dr. Sze spent considerable time in addressing public meetings in various parts of the country. He called attention to the continued failure of the foreign powers to carry out their pledges made to China at the Washington Conference less than half a dozen years previously and to the evident undesirable effects which such failure would have on the psychology of the Chinese nation. In the autumn of 1926 Dr. Sze spent some time in Turkey. Dr. Sze stated that he thought the most trying time during the six years which he reviewed was the period immediately following the Nankin g Incident of March, 1927. He referred to the Porter resolution which passed Congress in January 1927 which provided for independent action by the United States in negotiating new treaties with China. Dr. Sze added that in all his deliberations his principle has been, not solely to plan for China's gain but to bring about better international understanding.

Dr. Wilson's address dealt chiefly with the relations of the various nations about the Pacific Ocean. He reviewed briefly the Washington Conference, where he served as a technical adviser to Secretary of State Hughes; Dr. Wilson also referred to other conferences dealing with the limitation of armaments and related subjects.

The meeting was attended by about 1200 members of the Pan-Pacific Association and their friends.

Efforts to Rehabilitate Exchange Bank of China

A recent *Toho* dispatch from Tokyo stated that the Chinese shareholders of the Exchange Bank of China have of late proposed to the Japanese shareholders that the bank be reconstructed so as to make it a purely Chinese concern. In this connection, 18 representatives of the Japanese banks

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concerned held a meeting in Tokyo recently at which a decision was reached that the Japanese shareholders agree to the Chinese proposal on condition that the loan, amounting to Yen 50,000,000 which the Bank of Taiwan, the Bank of Chosen, and Kogyo Ginko had advanced to the Chinese Government through the medium of the Exchange Bank of China, together with its interest in arrears, amounting to Yen 20,000,000, shall be made a direct loan to the Chinese Government.

Shanghai Ratepayers Approve Sale of Electricity Establishment

At the most largely attended meeting of the Ratepayers of Shanghai ever assembled the proposition to sell the Municipal Electricity establishment was approved, the vote being unanimous. The purchasers are the American & Foreign Power Co., a joint American and British concern, with the former holding about three-quarters of the stock. When the sale was first announced as a possibility there developed considerable opposition from the Chinese, but an official telegram from Nanking the same day stated that the National government had no objection to the sale as they recognized it would be a purely commercial transaction, in which Americans had the major share.

The other outstanding feature of the meeting was that it marks the end of the chairmanship of Stirling Fessenden, the dean of the American Bar of Shanghai, who has for five years served in that capacity. However it merely means that Mr. Fessenden steps out of a post which was a purely honorary one into a position formerly held by a Britisher, namely that of Commissioner General. In his new position Mr. Fessenden becomes a salaried employee.

In his address on the budget Mr. Fessenden paid a tribute to the Chinese members of the Council, who he said had been faced with many difficulties arising from the conflicting points of view of the Chinese and foreign members and the demands and resentment of articulate Chinese bodies whose ideas of the councillors' duties were of the most vague and nebulous character. Despite these, however, Mr. Fessenden said the discussions had been most amicable, though it was a good illustration of the position that the Chinese councillors had been compelled to disassociate themselves with much that he had to say. "Our Chinese colleagues have shown themselves to be men of character, ability, breadth of view, and energy, who have sincerely endeavored to promote harmony and goodwill," he said.

The Provisional Court

Mr. Fessenden said that outstanding among local political problems were the "outside roads" and the Provisional Court. Regarding the former, negotiations were in the hands of the foreign Powers and the Nationalist government, but little appreciable progress appeared to have been made in the last year or so, and there seemed little prospect of a satisfactory settlement in the near future.

Referring to the Provisional Court, Mr. Fessenden said that the Council was not a party to the Rendition Agreement and had only been consulted concerning it in a casual and perfunctory manner, though it was of the greatest importance to the Council. The Court instead of having become a model for others in China, had been functioning so as to spread distrust and dismay in foreign circles. It might now, he said, be considered one of the most forcible arguments against the premature abolition of consular jurisdiction.

O. M. Green, editor of the *North China Daily News*, at the peroration to caustic remarks on the Provisional Court, suggested that in order to remedy the situation and to forestall the personal representations which he understood were to be made by a delegation of the court judges to the foreign Powers, suggested that Shanghai send its own delegates to these Powers to meet them on the spot and to stifle propaganda with the truth. The dispatches of the Diplomatic Body, he said, would not be made public, but the propaganda of the Chinese would. He, therefore, strongly pressed his suggestion for the consideration of the rate-payers and the Council.

The Reasons for Selling the Department

The speeches of both Mr. Fessenden and Mr. Green were roundly applauded by the assembled Ratepayers. In discussing the proposed sale of the Electricity Department Mr. Fessenden went into details of some of the reasons for the sale.

There had been, he said, no real opposition to the sale on the part of responsible Chinese, because they realized that their countrymen did not yet possess the requisite experience or training to manage efficiently a great public utility, and because they were well aware of the dangerous consequences of such a utility falling into the hands of a political faction and being used as a political weapon. Two things, he said, were essential to the successful operation of the department, one was protection, which would be derived from the sale, and the other was efficient management. He was authorized, he said, to state that the Council would consider a reduction in the municipal rate. Some of the money would be applied to the amortization of loans and interest charges when necessary. And a special fund would be created to meet financial problems of the future. In regard to these he estimated that Tls. 15,000,000 would be required in the next five years for police, fire stations, hospital, schools, markets, jails, jetties, road widenings, drainage and sewage, and kindred matters.

Just before the meeting closed, C. M. Bain paid a tribute to Mr. Fessenden's services as Chairman, Mr. Bell particularly referred to the events of 1925, concerning which he said; "I am sure you will agree with me that what he did for us in that year alone was sufficient to make us feel very grateful towards him. I want you to allow me to say this much: we cannot put it down on record now, but some day there will be written a history of Shanghai and what has been done for it, and then you will see what Mr. Fessenden has done in critical situations. I do not put this as a resolution, but I will ask that it be recorded in the minutes of this annual meeting of ratepayers."

In connection with the sale of the Electricity Department the Municipal Council at the end of last week issued another statement on the financial aspects of the transaction regarding the selling of the Municpal Electricity Department to the International Group for Tls. 81,000,000. The proposal is that payment of the purchase price of Tls. 81.000,000 should be spread over a period of five years dating from January 1, 1929, and for this purpose the following allocations of the purchase price have been tentatively agreed upon between the Purchasing Company and the Council:

1.—Tls.56,348,200 to be earmarked for the redemption of such loans as can be redeemed under the terms of issue thereof on or before December 31, 1923. On this sum the Company will provide all amounts requisite for interest and amortization. The effect of this arrangement is that the interest payable by the Purchasing Company on the above-mentioned sum will average over six and one-half percent.

2. The balance of the purchase price, *i. e.*, Tls. 44,651,800 will be paid by instalments during the years 1929–33 and will be utilized in substitution of public borrowings and for such other purposes as the Council may from time to time determine. On any balance of this sum remaining unpaid interest will be receivable from the Company at the rate of five per cent. per annum. The effect of this arrangement is that the average rate of interest payable by the Company on the whole of the purchase price will be approximately five and three-quarters percent.

Until such time as the purchase price is finally satisfied, the Council is to hold a lien on the entire assets of the Company.

Dollar Line Official Visits Shanghai

M. J. Buckley, freight traffic manager of the Dollar S. S. Line, arrived in Shanghai last week. He is expected to leave for Hong-kong and Manila, aboard the President Pierce, which is scheduled to depart today. Mr. Buckley, who has been with the Dollar Company since its earliest days, when its fleet comprised little more than a group of glorified fishing vessels, is making his first tour of the Orient since 1903. Naturally he found Shanghai much changed, about the only landmark recognizable to him from former days being the Astor House Hotel.

"The magnificent growth and prosperity of this port," Mr. Buckley said, "is a splendid indication of the growing significance of Oriental shipping in the world's commerce. It is my belief that within another generation the Orient will enjoy not only a tremendously increased freight traffic, but that much of the tourist business that is now going to Europe will have been diverted to China, Japan and the Philippines."

Mr. Buckley pointed to the growth of the Dollar services in the Far East as evidence of the accelerated interest in this part of the world among American travelers. "Although we have been operating our present schedule of weekly services, as an independent company, only since 1924, when the Dollar Company purchased its ships from the United States Shipping Board, we are at present carrying far more passenger traffic than any other trans-Pacific line. Last year we carried approximately 15,000 first and second class passengers between the Far East and America. Exclusive of this number, of course, were the thousands of Orientals who traveled steerage."

Mr. Buckley believes that the introduction of radio, telegraphs, telephones and other means of rapid communication in China will do much toward unifying the country and bringing about the desirable state of an enlightened people.

FROM THE CHINESE PRESS

(*Continued from page 343*)

anization Office on the 15th inst., under supervison of Admiral Chen Chi-liang, is announced.—Hsueh Tuh-pi, Minister of Public Health calls meeting for discussion of prevention of spread of cerebro spinal meningitis in the Capital.—Ministry of Judicial Administration determines upon the establishment of an institute for the training of judicials.—Gen. Fong Peng-jen, representative of the National Government in Liaoning, proceeds to Hankow to submit report on situation in north-eastern provinces to Chiang Kai-shek.

Sunday and Monday, April 14 and 15.—Chiang Kai-shek issues orders to Gens. Chu Pei-teh and Wang Chun for a campaign against the communist-bandits of southern Kiangsi.—Gen. Lu Tih-ping formally assumes office as Gendarmerie Commander for Wu-han.—Hsueh Tuh-pi, Minister of Public Health, granted leave for inspection tour of Europe and America with a view to adoption of scientific public health methods for China.—Chiang Kai-shek instructs Gen. Ho Chien to remain as Acting Chairman of the Hunan Provincial Government.—Gen Sun Ting-ying reports occupation of Penchwang and the advance of his troops towards Tsingchow.—Rounding up of retreating Wu-han rebels continued under leadership of Admiral Chen Shao-kuan.—Feng Yu-hsiang reiterates his loyalty to the National Government.—T. S. Soong drafts program for financial reorganization of Hupeh and Hunan.—Gen. Cheng Hsin-ming formally inducted into office as Gendarmerie Commander for Tsinan.— Tsingtao taken over by representatives of the Shantung Government.—Kwangsi forces in southern Hunan reported withdrawing to Kwangsi.—Chen Shao-kuan reports evacuation of Shasi by Wu-han rebel troops.—Changyoh and Chucheng in eastern Shantung captured by 49th division under Gen. Jen Yin-chi.—At a conference between Gen. Sun Liang-chen and the Japanese Consuls-General for Tsinan and Tsing-tao it is agreed that the portion of the Kiao-Tsi Railway between Tsinan and Poshan will be taken over by the Provincial authorities of Shantung by the 20th. inst.—Executive Yuan recommends public commendation of the Chinese aviator, Chen Wen-lin, flying from Europe across the continent to China.—Chiang Kai-shek recommends appointment of Ho Chen-chun as Chairman of the Hupeh Provincial Government.

Tuesday, April 16.—The 26th and 27th Brigades of the 9th Division under Gen. Chiang Ting-wen proceed to Hankow for garrison duty.—Gen. Jen Yin-chi reports further successes in the expedition against Chang Tsung-chang's remnant rebels.—Troops of Gen. Chu Shao-liang reach Ichang, Shasi and Kingchow in western Hupeh.—Gen. Liu Hsiag reports arrival of two divisions and three brigades of Szechuan Provincial Forces in western Hupeh.—Chiang Kai-shek receives Japanese, American and German Consuls and Vice-Consuls at his headquarters.—The State Council publicly commends Gen. Li Ming sui and Gen. Yang Teng-hui for their loyalty to the National Government during the recent troubles.—Ceremonies at the Tsingtao Municipal Building mark the assumption of the administration of the port of Tsingtao by the National Government.

Chinese-American Cooeeration in Air-Mail Routes

The Chinese Government on April 12 authorized the creation of a $10,000,000 Government-controlled corporation the purpose of which will be to foster the development of commercial, passenger and air-mail services throughout the country. Sun Fo, Minister of Railways, was appointed head of the new corporation which is to be known as the China National Aviation Corporation and which will be organized somewhat on the lines of the United States Shipping Board and Emergency Fleet Corporation. In addition to Mr. Sun Fo there will be six directors, these positions to be filled by the Ministers of Communications, Industry and Commerce, Foreign Affairs, Finance, and the Chairman and Vice-Chairman of the National Reconstruction Commission. The Minister of Communications will be vice-president of the corporation.

It has been reported that the National Aviation Corporation will shortly make contracts with certain American airplane manufacturing concerns whereby the assistance of the American interests will be obtained in the development of commercial aviation throughout China, the American companies will supply pilots as well as capital to initiate the services. Two leading American airplane manufacturing concerns, the Curtiss-Robertson Company of St. Louis and the W. A. Harriman interests of New York, now have representatives here who have been conducting negotiations with the National Government.

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price April 18	Approx. Yield to Maturity %
The National City Bank of New York		New Stock		375	—
Argentine Government	6	Oct. 1,	1960	100	6.00
Australia	4½	May 1,	1956	86	5.50
U. S. of Brazil	6½	Oct. 15,	1957	94½	6.94
Kingdom of Belgium	7	Nov. 1,	1956	105	6.60
City of Budapest	6	June 1,	1962	80⅛	7.66
Canadian Pacific Railway	4	Perpetual Stk.		86	4.65
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan. 1,	2000	72	6.97
ChicagoRapidTransit Co.	6	July 1,	1953	90	6.85
Chile Copper Co. Debs.	5	Jan. 1,	1947	96	5.35
Chile Government (Railway)	6	Feb. 1,	1961	93½	6.48
Cuba Northern Railway	5½	June 1,	1942	82½	7.65
Republic of Costa Rica	7	Sep. 1,	1949	101	7.40
Chile Government	6	Sep. 1,	1961	93⅜	6.49
Cuban Dominican Sugar Co.	7½	Nov. 1,	1944	91	8.56
Kingdom of Denmark	6	Jan. 1,	1942	104	5.56
Dutch East Dadies	5½	Nov. 1,	1953	101⅞	5.36
Republic of Finland	5½	Feb. 1,	1958	88	6.42
French Government	7	Dec. 1,	1949	107½	6.35
German Government	7	Oct. 15,	1949	105⅞	6.48
German Central Bank for Agriculture	6	Oct. 15,	1960	86½	7.12
German Central Bank for Agriculture	6	Apr. 15,	1938	90	7.55
German General Electric Co.	6	May 1,	1948	91½	6.80
Greek Government	6	Feb. 1,	1968	83½	7.28
Ilseder Steel Corporation	6	Aug. 1,	1948	86½	7.31
Kingdom of Italy	7	Dec. 1,	1951	96¾	7.30
Japanese Government	6½	Feb. 1,	1954	101¼	6.40
State of Minas Geraes (Brazil)	6½	Mar. 1,	1958	94	6.98
Mortgage Bank of Chile	6	Apr. 30,	1961	91½	6.64
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1,	1957	91¼	6.15
Kingdom of Norway	6	Oct. 15,	1952	102	5.84
Northern Ohio Power & Light Co.	6½	Jan. 1,	1941	99	6.62
Republic of Peru	6	Dec. 1,	1960	87¾	6.97
Paris, Lyons & Med. Rwy.	6	Aug. 15,	1958	99⅞	6.01
Republic of Panama	5	May 15,	1963	93¾	5.40
State of Rio Grande Do Sul (Brazil)	6	June 1,	1968	86⅝	7.03
Rhine Westphalia Elec. Power Corp.	6	Aug. 1,	1953	92⅞	6.59
Saxon State Mortgage Inst	6½	Dec. 1,	1946	93½	7.16
Saxon Public Works, Inc.	6½	May 1,	1951	93½	7.09
Tokyo Electric Light Co.	6	Jun. 15,	1953	90¼	6.83
United Kingdom of Gr. Britain	5½	Feb. 1,	1937	103½	4.96
City of Vienna	6	Nov. 1,	1952	87	7.15
Abitibi Power&PaperCo.	6	Cum. Pfd. Stock.		79½	7.55
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American Shrs)		82	7.32
Cannon Mills Co. (Dividend $2.80 p. a.)		Common Stock		39¼	—
General Mills, Inc.	6	Cum. Pfd. Stock.		98	6.12
General Mills, Inc. (Div. $3.00 per annum.)		Common Stock		75¼	—
Hershey Chocolate Corp. Convertible	4	Pfd. Stock		87¾	4.56
Mohawk Carpet Mills, Inc. (Div. $2.50 p.a.)		Common Stock		72	—
Pennsylvania-Dixie Cement Corp	7	Cum. Pfd. Stock.		85	8.23
Willys Overland Co.	7	Cum. Pfd. Stock		98¼	7.13
General Motors Corp. (New)		Common Stock		83½	—
Andes Coper Mining Co.		Common Stock		52¾	—
United States Steel Corp.		Common Stock		187¼	—
Standard Oil Co. of New Jersey		Common Stock		58½	—
Standard Oil Co. of New York		Common Stock		44	—
Pennsylvania Railroad Company		Common Stock		76⅜	—
United Aircraft & Transport Corp. (p. v. $50)	6	Pfd. Stock		77	3.90
United Aircraft & Transport Corp.		Common Stock		85½	—

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 17th April 1929,

Exchange:—Since the issue of our last circular, little variation has occurred in the price of Bar Silver in London. A week ago silver was quoted at 25⅝d. per oz for both spot and two months forward delivery. Yesterday the price was fixed at 25 13/16d. for the respective deliveries. India has been a small buyer recently.

A very dull market has to be recorded throughout the week under review. A moderate quantity of expert bills have been offered for sale, but importers have shown but little inclination to effect settlements of T/T. The official rate for T/T on London still remains at 2/6d.

A steady undertone prevails and at noon to-day the following rates were available for telegraphic transfers, on London 2/6 3/8d, on New York 61 7/16, Yens 72.

Our stocks of silver are reported at follows:—

Sycee and Bar Silver .. .. Tls. 84.326.000 an increase of Tls. 792.00
Chinese and Mexican Dollars .. 116.530.000 an increase of $2,810,000

Estimated value Tls. 175,427,000 as against Tls. 118,116,000 held at this time last year.

	Average rates for Mar.	Thursday Apr. 11	Friday Apr. 12	Saturday Apr. 13	Monday Apr. 15	Tuesday Apr. 16	Wed., Apr. 17
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/6 510	2/6	2/6	2/6	2/6	2/6	2/6
D/Dfts ;,	—	2/6 1/16	2/6 1/16	2/6 1/16	2/6 1/16	2/6 1/16	2/6 1/16
4 m/s ,,	—	2/6¼	2/6¼	2/6¼	2/6¼	2/6¼	2/6¼
T/T India	169.281	167	167	167	167	167	167
T/T France		1550	1550	1550	1550	1550	1550
T/T On N.Y.	1,580.417	60⅝	60⅝	60⅝	60⅝	60⅝	60⅝
Demand	61.766						
T/T Hamburg R. M.		60¾	60¾	60¾	60¾	60¾	60¾
T/T H'kong	78.833	255¾	255¾	255¾	255¾	255¾	255¾
T/T Japan		79½	79½	79½	79½	79½	79⅝
T/T Batavia	72.307	73½	73½	73⅜	73½	73½	73⅜
T/T Straits	154.042	151¼	151¼	151¼	151¼	151¼	151¼
Bk's buying rates	91.469	93¼	93¼	93¼	93¼	93¼	93¼
4 m/s B/L. Cred. D/A	2/8.510	2/8	2/8	2/8	2/8	2/8	2/8
4 m/s ,, D/P							
6 m/s ,, B/L	—	2/8⅛	2/8⅛	2/8 1/16	2/8⅛	2/8⅛	2/8⅛
Cred D/A		2/8 3/16	2/8 3/16	2/8 1/16	2/8 3/16	2/8 3/16	2/8 3/16
4 m/s B/F Cred D/A or D/P	2/8.823						
4 m/s N.Y.Lc.	1,650.417	1620	1620	1620	1620	1620	1620
4 m/s ,, Doc.	65.016	63⅞	63⅞	63⅞	63⅞	63⅞	63⅞
	—	64⅜	64⅜	64⅜	64⅜	64⅜	64⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Apr. 11	Apr. 12	Apr. 13	Apr. 15	Apr. 16	Apr. 17
Bullion,						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	25⅞	25 15/16	25⅞	25 15/16	25¾	26 1/16
**New York Price of Bar Silver per oz. (Pure)	G.$.56	G.$.56⅛	G.$.56	G.$.55¾	G.$ 55⅝	G.$.55⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chau ping) 978 touch)	Tls. 354.50	Tls. 354.00	Tls. 355.90	Tls. 355.00	Tls. 355.10	Tls. 354.00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.9	110.90	110.8	110.90
Shanghai Mexican Dollars per $100	71.7375	71.7375	71.725	71.7125	71.70	71.6625
Native Bank Rate of Interest (Call money)	1%	1%	2%	2½%	2%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5 1/2%	London Paris on	T/T 124.25
Bank of France rate of discount	3 1/2%	New York on London	T/T 48 51/64
London open Market of Dis. 3 m/s	5 3/8%	Bombay on London	T/T 1/5 29/32
,, 4 ,,	5 3/8%	Hongkong on London	T/T 1/11½
,, 6 ,,	5 3/8%	Kobe on London	T/T 1/9 15/16